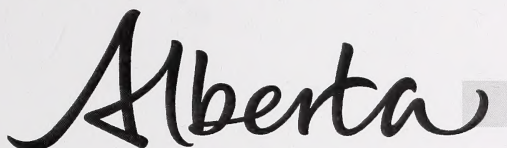


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Freedom To Create. Spirit To Achieve.

Seniors and Community Supports

Annual Report
2010-11

Government of Alberta ■



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Seniors and Community Supports

Annual Report 2010-2011

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

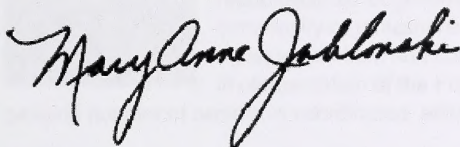
The annual report of the Government of Alberta released June 29, 2011 contains Ministers' accountability statements, the consolidated financial statements of the Province and *The Measuring Up* report, which compares actual performance results to desired results set out in the government's business plan.

This annual report of the Ministry of Seniors and Community Supports contains the Minister's accountability statement, the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- the financial statements of entities making up the Ministry including the Department of Seniors and Community Supports and Crown-controlled corporations for which the Minister is responsible, and
- other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2011, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at June 15, 2011 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.



Mary Anne Jablonski

Minister of Seniors and Community Supports

Preface

Minister's Accountability Statement

The Minister's Accountability Statement for the year ended March 31, 2011, was prepared under the provisions of the Access to Information Act and the Freedom of Information Act. It is a statement of the Minister's responsibilities and the results of the Minister's actions during the year.

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Message from the Minister



As Minister of Seniors and Community Supports, I am proud to present our Annual Report for 2010-11. Alberta marked an important turning point in 2011 as the first “baby boomers” began to turn 65. This year the Ministry finalized some important preparations for this demographic shift. We released the *Aging Population Policy Framework*, which outlines the roles and responsibilities of government and its many partners (individuals and families, community organizations and other governments) in meeting the needs of an aging population, and communicates key policy directions. The implementation of the Framework will focus on meeting the needs of the growing number of seniors in coordinated, effective and sustainable ways.

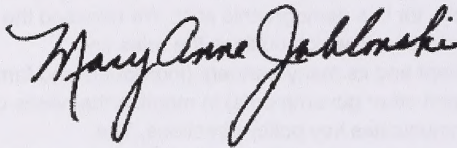
We also released *Addressing Elder Abuse in Alberta: A Strategy for Collective Action*. This document provides a plan for governments and communities to work together to help prevent and reduce elder abuse, and to improve supports for Alberta seniors affected by abuse.

As our population ages, a range of accommodation options will help seniors and persons with disabilities age in the right place. Under the Government of Alberta’s *Continuing Care Strategy*, the Ministry committed over \$89 million in capital funding to help develop 882 new affordable supportive living units across the province. This funding will also support the development of an additional 30 long-term care spaces. These units will increase choice and availability of accommodations for seniors and persons with disabilities who require support to live in their communities.

Throughout 2010-11 the Ministry had to respond to an economy in recovery. Despite these challenges, we maintained important services, and forged ahead to find more efficient and effective ways to deliver supports for seniors and Albertans with disabilities. Under the Alberta Supports initiative, Seniors and Community Supports is working with partnering ministries toward a more citizen-centred, aligned and better-integrated approach to program development and delivery. In December, the Ministry and its partners established a single website (www.albertasupports.ca) and phone number (1-877-644-9992 toll free, or 780-644-9992 in Edmonton) for Albertans to access information about a range of provincial, social-based programs so they can get the right help at the right time. This “single door” approach makes it easier for Albertans to access services and will help them transition between programs as they age or their circumstances change.

In 2010-11, we focused on further improving the Persons with Developmental Disabilities program. The Ministry commissioned a review of the PDD program to identify efficiencies and savings in program administration that can be redirected to front-line services for individuals. Implementation of the approved recommendations will begin in 2011-12. Based on discussions with families and guardians, we also implemented new processes for families who direct and manage supports for their family member with a developmental disability under the PDD program’s Family Managed Services (FMS) option. These changes are designed to decrease administrative burden for families while maintaining the necessary level of accountability. We also worked to enhance clarity for individuals and families by publishing policies and procedures online in a new, easy to navigate web-based system.

My sincere thanks go to our hardworking staff for their efforts this year, and to the individuals and organizations in our communities who work closely with our Ministry to serve Albertans. My thanks also go to the many Albertans who have shared with me their ideas on how we can improve independence and well-being for seniors and persons with disabilities. It has been a productive year for the Ministry and I am honoured to share these results with you.



Mary Anne Jablonski
Minister

Management's Responsibility for Reporting

The Ministry of Seniors and Community Supports includes: the Department of Seniors and Community Supports, the Seniors Advisory Council for Alberta, the Premier's Council on the Status of Persons with Disabilities and the Persons with Developmental Disabilities Community Boards.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

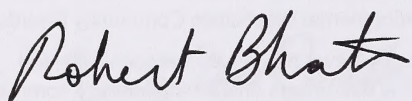
Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Minister of Seniors and Community Supports. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – Information agrees with the underlying data and the sources used to prepare it.
- Understandability and Comparability – Current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- Completeness – Performance measures and targets match those included in Budget 2010.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and Enterprise and the Minister of Seniors and Community Supports any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.



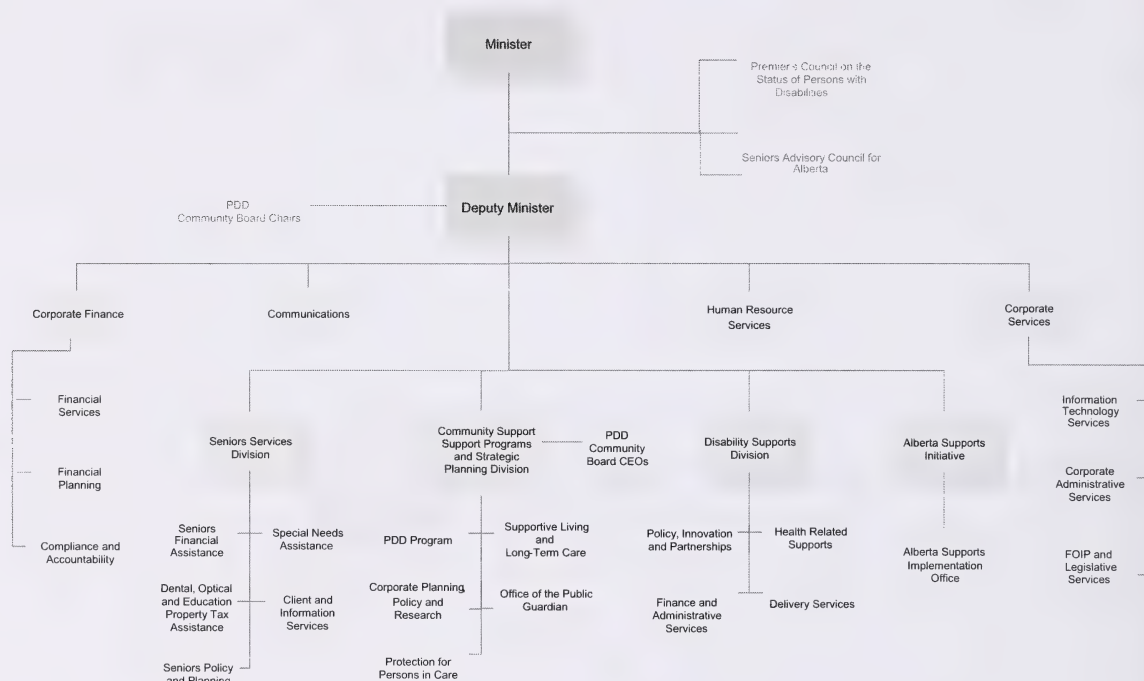
Robert Bhatia
Deputy Minister of Seniors and Community Supports
May 30, 2011

RESULTS ANALYSIS

Results Analysis

Ministry Overview

The Ministry consists of the Department of Seniors and Community Supports, the Seniors Advisory Council for Alberta, the Premier's Council on the Status of Persons with Disabilities and the Persons with Developmental Disabilities (PDD) Community Boards.



The Department includes three divisions: Seniors Services, Disability Supports, and Community Support Programs and Strategic Planning. The Alberta Supports initiative is led by the Ministry and coordinated through a central implementation office jointly staffed by the partnering ministries. Corporate functions support department-wide operations. The organizational chart and operational overview reflect the structure of the Ministry as at March 31, 2011.

Seniors Services Division

The Seniors Services Division is responsible for:

- Delivering the Alberta Seniors Benefit (ASB) program, which provides monthly benefits to over 147,600 low-income seniors across the province.
- Administering the Special Needs Assistance for Seniors (SNA) program, which provides lump-sum payments to eligible low-income seniors toward the purchase of allowable one-time extraordinary expenses.
- Delivering the Dental and Optical Assistance for Seniors programs, which provide financial assistance for dental treatment to more than 84,400 seniors and assists almost 36,000 seniors with the cost of prescription eyeglasses.
- Delivering the Education Property Tax Assistance for Seniors (EPT) program, which provides a rebate to senior households in Alberta to cover the year-to-year increases in the education portion of their property tax over the senior's base year amount. This program has also partnered with a number of municipalities to administer local tax rebate programs for seniors.
- Providing information services for seniors, including operating the Seniors Information Line and Seniors Information Services Offices, and publishing the annual *Seniors Programs and Services Information Guide*.
- Leading and coordinating research, policy development and planning activities on issues of relevance to seniors and the aging population.
- Providing support to the Seniors Advisory Council for Alberta.
- Collaborating and liaising with federal, provincial and territorial partners through the Federal/Provincial/Territorial Ministers Responsible for Seniors forum.

Disability Supports Division

The Disability Supports Division is responsible for:

- Providing financial and health benefits, through the Assured Income for the Severely Handicapped (AISH) program, to approximately 43,000 adult Albertans with a permanent disability that substantially limits the person's ability to earn a livelihood. Approximately 9,000 of these individuals also received personal benefits in 2010-11 to help with extra monthly or one-time needs such as child care or medical supplies.
- Administering the Alberta Aids to Daily Living (AADL) program, which helps over 79,000 Albertans with a long-term disability, chronic illness or terminal illness by providing equipment and supplies for their medically assessed needs.
- Providing grants to help eligible wheelchair users to make their homes more accessible through the Residential Access Modification Program.
- Providing community supports for adults with disabilities through such programs as the Alberta Brain Injury Initiative, the Fetal Alcohol Spectrum Disorder (FASD) initiative, Community Access for People in Continuing Care and Cross Disability Support Services.
- Undertaking research, policy development, planning and coordination to support continuous improvement of supports and services for persons with disabilities in Alberta.
- Providing support to the Federal/Provincial/Territorial Council of Ministers Responsible for Social Services and its various working groups as they relate to persons with disabilities.
- Providing support to the Premier's Council on the Status of Persons with Disabilities.

Community Support Programs and Strategic Planning Division

The Community Support Programs and Strategic Planning Division is responsible for:

- Leading policy development and research to improve quality, supply and client choice across the continuing care system in Alberta.
- Developing, monitoring and enforcing compliance with accommodation standards for over 720 supportive living facilities and over 170 long-term care settings across the province; licensing supportive living facilities; and setting long-term care residents' maximum accommodation fees.
- Supporting the development of affordable supportive living units through capital grant programs.
- Supporting approximately 149 seniors' lodges through Lodge Assistance Program grants.
- Developing program policy, allocating financial resources, and managing quality assurance to effectively deliver the Persons with Developmental Disabilities (PDD) program. Through the PDD program, approximately 9,300 individuals with a developmental disability receive supports to participate in community life and be as independent as possible.
- Administering the *Adult Guardianship and Trusteeship Act (AGTA)* and *Personal Directives Act (PDA)* through the Office of the Public Guardian (OPG). The OPG provides direct guardianship services for over 2,000 dependent adults who are deemed unable to make their own personal, non-financial decisions and have no family or friend to take on this role, and provides education and support for private guardians. The OPG also acts as Review Officer for court applications under the AGTA, investigates complaints that a decision maker is causing harm to the adult they represent, and provides oversight of capacity assessment and training under the acts. Additionally, the OPG acts as decision-maker of last resort for psychiatric treatment decisions under the *Mental Health Act*.
- Administering the *Protection for Persons in Care Act*, which requires that abuse involving adults receiving government-funded care services is reported and investigated. Under this legislation, the Ministry responds to approximately 400 reports of abuse per year.
- Leading and coordinating the Ministry's corporate planning, policy and research activities.

Corporate Functions

Corporate Finance

Corporate Finance supports the Ministry's financial planning, budgeting, payments and financial accountability activities. Specific areas of activity include budgeting and forecasting, reviewing and monitoring financial transactions, managing financial systems, revenue administration, enterprise risk management, compliance reviews, financial reporting and producing the annual financial statements.

Corporate Services

Corporate Services is responsible for supporting the Ministry's information technology, administrative services, legislative services, and business continuity and disaster recovery planning. As well, Corporate Services coordinates the Ministry's information and records management and administration of Freedom of Information and Protection of Privacy processes.

Human Resource Services

Human Resource Services is responsible for planning, developing and delivering the Ministry's human resource programs, policies and practices. These efforts support the Alberta Public Service Workforce Plan and include staffing, classification, employee relations, performance management, workplace planning and succession management, leadership development, learning and career development, recognition, and workplace safety, health and wellness.

Communications

Communications provides advice and support to the Minister and the Ministry on providing clear and timely information to the public about the Ministry's key initiatives, programs and services. Communications also provides consulting services in issues management, media relations, writing, publishing and website content.

Boards and Agencies

Persons with Developmental Disabilities Community Boards

The Persons with Developmental Disabilities (PDD) Community Boards are agents of the Crown as established by the *Persons with Developmental Disabilities Community Governance Act*. Each of the six Community Boards is responsible for the delivery of supports to adults with developmental disabilities within its region. These services assist adults with a developmental disability to be included in community life and to be as independent as possible.

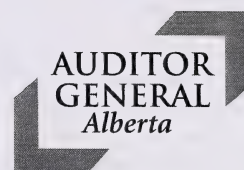
Seniors Advisory Council for Alberta

The Seniors Advisory Council for Alberta is responsible for advising the province on matters relating to Alberta's seniors. The vision of the Council is to increase the recognition of seniors as one of Alberta's most respected and valuable resources. The Council does this by consulting with seniors, seniors' organizations and others to gather information and provide advice to the Minister regarding issues impacting seniors.

Premier's Council on the Status of Persons with Disabilities

The role of the Premier's Council on the Status of Persons with Disabilities is to advise and report to the Government of Alberta on matters relating to Albertans with disabilities. The Council fulfills this role by listening to the opinions of the disability community, communicating these ideas and concerns to the Government of Alberta and the broader community, and working with governments, community organizations and other stakeholders toward solutions.

Review Engagement Report



To the Members of the Legislative Assembly

I have reviewed the performance measure identified as “Reviewed by Auditor General” in the *Ministry of Seniors and Community Supports’ 2010-11 Annual Report*. This performance measure is the responsibility of the Ministry and is prepared based on the following criteria:

- Reliability – Information agrees with the underlying data and with sources used to prepare it.
- Understandability and Comparability – Current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- Completeness – Performance measures and targets match those included in Budget 2010.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to my Office by the Ministry. My review was not designed to provide assurance on the relevance of this performance measure.

A review does not constitute an audit and, consequently, I do not express an audit opinion on the performance measure.

Based on my review, nothing has come to my attention that causes me to believe that the “Reviewed by Auditor General” performance measure in the Ministry’s 2010-11 Annual Report is not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above. However, my review was not designed to provide assurance on the relevance of this performance measure.

Mervan N. Saher, CA

Auditor General

May 10, 2011

Edmonton, Alberta

Performance Measures Summary Table

| Core Businesses/Goals/Performance Measure(s) | | Prior Years' Results | | | | Target | Current Actual |
|--|---|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------|-----------------------|
| Core Business: Provide targeted financial assistance to seniors and persons with disabilities in need. | | | | | | | |
| 1. | Seniors in need have access to financial assistance to support their well-being. | | | | | | |
| 1.a | Difference between Alberta seniors' average total income and the national average for seniors' average total income | +11.1% 2004 | +13.4% 2005 | +17.6% 2006 | +19.4% 2007 | Exceed National Average | +20.3% 2008 |
| 1.b | Assessment time in working days for Special Needs Assistance for Seniors program applications | 10 days 2006-07 | 10 days 2007-08 | 13 days 2008-09 | 18 days 2009-10 | 10 days | 22 days 2010-11 |
| 2. | Albertans with a severe and permanent disability have access to financial assistance to support their independence. | | | | | | |
| 2.a* | Percentage of AISH clients who agree that personal benefits help them live more independently than if they were unable to access these benefits | 79% 2006-07 | 78% 2007-08 | 77% 2008-09 | 80% 2009-10 | 77% | 72% 2010-11 |
| Core Business: Plan, provide and coordinate necessary supports and services for living in the community. | | | | | | | |
| 3. | Seniors and persons with disabilities have appropriate supportive living options. | | | | | | |
| 3.a | Number of affordable supportive living units for aging in place developed with support from provincial funding | 553 2006-07 | 793 2007-08 | 890 2008-09 | 618 2009-10 | 500 | 882 2010-11 |
| 4. | The ministry's health-related supports and services enhance independence and well-being. | | | | | | |
| 4.a | Percentage of AADL clients who agreed that AADL helped them be more independent in their homes or residences | 90% 2003-04 | 90% 2005-06 | 90% 2007-08 | 88% 2009-10 | -- Δ | -- Δ |
| 5. | Seniors and persons with disabilities have access to supports and services needed to participate in community life. | | | | | | |
| 5.a** | Satisfaction of families/guardians of adults with developmental disabilities with PDD-funded services | 88.7% 2002-03 | 85.8% 2004-05 | 83.4% 2006-07 | 85.3% 2008-09 | 86% | 85.3% 2010-11 |

| Core Businesses/Goals/Performance Measure(s) | | Prior Years' Results | | | | Target | Current Actual |
|---|--|----------------------|------------------|------------------|------------------|------------------------------|----------------------------------|
| 5.b | Percentage of people with brain injuries and/or other disabilities and their families/caregivers reporting they feel supported by the Alberta Brain Injury and Cross-Disability Support Services initiatives - Persons with brain injury and/or other disabilities - Families/caregivers | 86% 2006-07 | 89% 2007-08 | 86% 2008-09 | 90% 2009-10 | 87% 82% | 90% 2010-11 90% 2010-11 |
| 5.c | Satisfaction with the information services provided by the Seniors Information Line | 91.4% 2006-07 | 89.6% 2007-08 | 88.0% 2008-09 | 91.3% 2009-10 | 90% | 83.4% 2010-11 |
| 6. | Safeguards for seniors and persons with disabilities improve safety and well-being. | | | | | | |
| 6.a | Satisfaction with supports and decision-making services provided by the Office of the Public Guardian of: - Private guardians - Service providers - Dependent (Represented) adults | 91% 2004-05 | 92% 2005-06 | 95% 2007-08 | 98% 2009-10 | -- Δ -- Δ -- Δ | -- Δ -- Δ -- Δ |
| <p>* Indicates Performance Measures that have been reviewed by the Office of the Auditor General</p> <p>For more detailed information see Performance Measures Methodology section of the Annual Report, page 40-41.</p> <p>The performance measures indicated with an asterisk (*) were selected for review by ministry management based on the following criteria established by government:</p> <ol style="list-style-type: none"> 1. Enduring measures that best represent the goal and mandated initiatives, 2. Measures for which new data is available, 3. Measures that have well-established methodology. <p>** This measure is also included in <i>Measuring Up 2010-11</i> under Goal 6. Data for this measure for 2010-11 was audited by the Auditor General, as indicated in the <i>Measuring Up Auditors' Report</i>.</p> <p><u>Measures Under Development:</u> The Ministry's 2010-13 Business Plan included two additional measures that are under development. Results for these measures are included in the "Discussion and Analysis of Results" section.</p> <ul style="list-style-type: none"> • Goal 1: "Proportion of Alberta seniors' incomes from government transfers versus other sources." Note: the wording of this measure will be adjusted in subsequent Ministry plans and reports in order to increase clarity: "Percentage of Alberta seniors' incomes from non government-funded sources." • Goal 3: "Quality of accommodation services provided in supportive living and long-term care facilities, as indicated by the percentage of facilities reviewed that meet provincial standards." <p>Δ Survey conducted every two years – no new data collected in relevant year.</p> | | | | | | | |

Discussion and Analysis of Results

In 2010-11, total Ministry program expense was \$2.05 billion. The majority of funding was allocated to the following programs:

- \$757.6 million for the Assured Income for the Severely Handicapped (AISH) program, an increase of \$40.9 million or 5.7% over 2009-10.
- \$421.6 million for seniors through programs including: Alberta Seniors Benefits (ASB) (\$320.6 million), Dental & Optical Assistance for seniors (\$65.8 million), Special Needs Assistance (\$23.0 million), and School Property Tax Assistance (\$12.2 million). ASB total expense of \$320.6 million increased by \$11.1 million or 3.6% over 2009-10. Dental and Optical Assistance total expense was \$65.8 million, an increase of \$3.6 million or 5.8% over 2009-10.
- \$591.6 million for Support to Persons with Developmental Disabilities, a decrease of \$556 thousand (0.09%) from 2009-10.
- \$117.6 million for the Alberta Aids to Daily Living (AADL) program, an increase of \$8.2 million or 7.5% over 2009-10.
- \$89.1 million for the Affordable Supportive Living Initiative (ASLI.)
- \$33.9 million for Seniors Lodge Assistance program, an increase of \$2.9 million or 9.3% over 2009-10.

The Ministry's total program expense increased by \$105.5 million or 5.4% over 2009-10. The main reasons for the increase were:

- AISH caseload growth of 5.9%.
- AISH health-related benefit cost increases.
- AADL caseload growth of almost 3%.
- Caseload increases in seniors benefit programs.
- Additional funding to support the development of supportive living and long-term care spaces across the Province.

Ministry Expense by Function

| | IN MILLIONS | | |
|----------------------------------|-------------------|-------------------|-------------------|
| | 2010-11 | | 2009-10 |
| | Estimates | Actual | Actual |
| Health | 113.3 | 117.6 | 109.4 |
| Social Services | 1,831.3 | 1,844.6 | 1,786.2 |
| Housing | 50.3 | 89.8 | 51.0 |
| Total Expense by Function | \$ 1,994.9 | \$ 2,052.0 | \$ 1,946.6 |

GOAL 1 Linked to Core Business 1 - Provide targeted financial assistance to seniors and persons with disabilities in need.

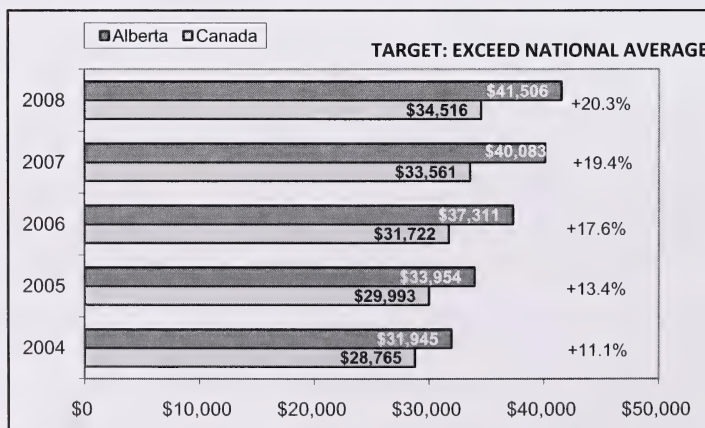
Seniors in need have access to financial assistance to support their well-being.

Income is one of the major determinants of health and well-being. Income assistance programs help seniors by enabling them to secure their basic living needs, maintain their independence and continue as participating and contributing members of the community. The Ministry supplements federal financial supports for seniors (Old Age Security and Guaranteed Income Supplement) through the Alberta Seniors Benefit (ASB), Special Needs Assistance for Seniors (SNA) and Education Property Tax Assistance for Seniors (EPT) programs.

In 2010-11, approximately 147,600 of Alberta's 407,500 seniors received monthly benefits from the ASB program, averaging about \$173 per household; over 23,000 seniors (or just over 19,000 households) received support from the SNA program, averaging \$945 per beneficiary, for a total annual grant expenditure of approximately \$23 million; and over 100,000 senior households received rebates from the EPT program for the 2010 property tax year.

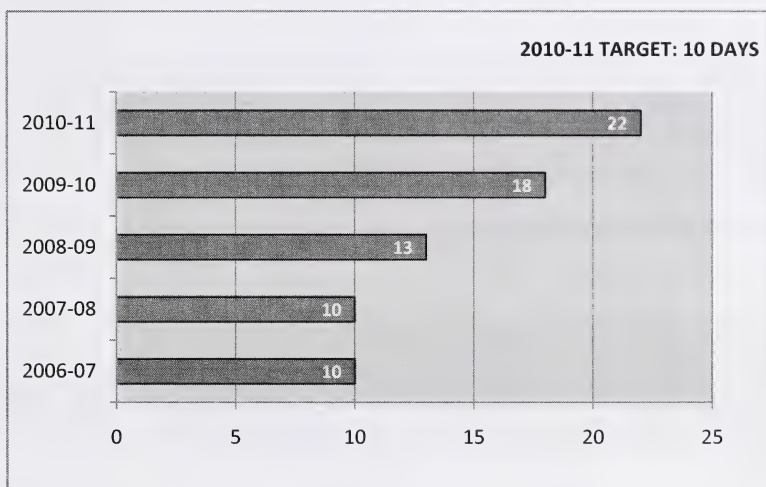
Performance Measure 1.a -- Difference between Alberta seniors' average total income and the national average for seniors' average total income.

In 2008, the most recent year for which data are available, the average total income of Alberta seniors exceeded the average total income of Canadian seniors by 20.3 per cent. This continues the trend of Alberta's seniors having higher average total incomes than Canadian seniors as a whole. (See Performance Measures Methodology 1.a, page 40.) The percentage of Alberta seniors' income derived from non-government funded sources (particularly employment) remained high in 2008, increasing slightly from the previous year. This indicates that Alberta seniors are generally able to maintain their financial well-being and independence.



Performance Measure 1.b -- Assessment time in working days for Special Needs Assistance for Seniors program applications.

In 2010-11, the Ministry achieved an average assessment time of 22 working days for applications to the SNA program. This result did not meet the 2010-11 target of 10 working days due to increased workloads and an increase in the volume of applications. (See Performance Measures Methodology 1.b, page 40.)



STRATEGY 1.1 Adopt an Aging Population Policy Framework to guide future decision making for government programs and services that support Alberta's seniors.

- **On November 8, 2010** the Ministry released the *Aging Population Policy Framework*. An aging population will have profound and lasting economic and social implications for our province, leading to opportunities and challenges across a wide range of areas. The *Aging Population Policy Framework* provides a foundation for the Government of Alberta to address these opportunities and challenges. The Framework clearly articulates government's role in meeting the needs of an aging population, as well as key policy directions. It also provides a context for improving coordination among the Ministries that provide programs, services and supports to an aging population.

The Aging Population Policy Framework was developed using input from stakeholder and community organizations and Albertans through the work of the Demographic Planning Commission and a group of representatives from across government. The Framework and additional information is available on the Alberta Seniors and Community Supports website at www.seniors.alberta.ca.

STRATEGY 1.2 Support and contribute to cross-ministry efforts to develop a Financial Literacy Strategy for Albertans.

- Financial literacy helps Albertans make sound financial decisions, avoid or recover from financial setbacks, including financial fraud or abuse, and supports Albertans' efforts to prepare adequately for retirement. In 2010-11 the Ministry co-led a working group with Finance and Enterprise that conducted a detailed analysis of key surveys from Statistics Canada, including the Canadian Financial Capability Survey and the Survey of Older Workers. This evidence-based approach will guide the working group's efforts to engage government partners and community stakeholders on strategies to improve financial literacy in Alberta over the long-term.

Unlike many online estimators that only provide general eligibility information, the Seniors Financial Assistance Benefit Estimator provides detailed information on potential eligibility for each of the programs. The Benefit estimator can be found at: www.seniors.alberta.ca/Seniors/BenefitEstimator/

STRATEGY 1.3 Enhance the delivery, of and access to, programs and services for Alberta seniors.

- The Ministry adjusted the Alberta Seniors Benefit (ASB) program in 2010-11 to ensure support for seniors was maintained. Benefit levels were increased to offset the three per cent increase in accommodation rates for residents of long-term care facilities. Additionally, the program's income thresholds for the 2010-11 benefit year were reviewed and increased effective July 1, 2010, to prevent claw backs that may have resulted from increases to Canada Pension Plan benefits.
- In 2010-11, the Ministry improved access for seniors to information about programs and services in their own communities. By calling the new Alberta Supports Contact Centre, seniors can find out which service providers in their community have been trained to assist with Seniors Financial Assistance program applications. A new searchable database of service providers has been developed to help contact centre staff refer seniors to these agencies.
- The Ministry also improved access to program information by launching an online Benefit Estimator for seniors programs. This Benefit Estimator provides seniors with a 'one stop shop' method of determining potential eligibility for all Seniors Financial Assistance programs including:
 - Alberta Seniors Benefit
 - Dental Assistance for Seniors
 - Optical Assistance for Seniors
 - Special Needs Assistance for Seniors
 - Education Property Tax Assistance for Seniors
- In September 2010, Seniors and Community Supports published an updated version of the Profile of Alberta Seniors using the most recent information available. The profile, which is available on the Ministry website, provides information on Alberta's senior population with a focus on demographics, living arrangements, income, expenditures, housing, health and a number of other topics. Municipalities, private and non-profit organizations use this information for planning purposes, and educators and students refer to the Profile to support research

projects and analysis. The profile is available on the Seniors and Community Supports web site at: www.seniors.alberta.ca/policy_planning/factsheet_seniors/.

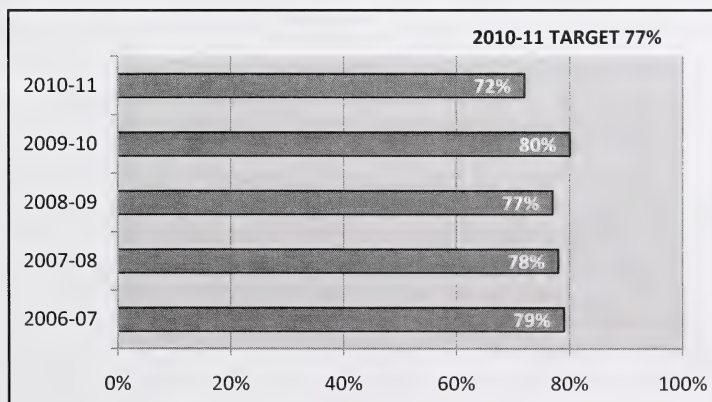
GOAL 2 Linked to Core Business 1 – Provide targeted financial assistance to seniors and persons with disabilities in need.

Albertans with a severe and permanent disability have access to financial assistance to support their independence.

The Assured Income for the Severely Handicapped (AISH) program assists Albertans who have a permanent disability that substantially limits their ability to earn a livelihood. The program provides a monthly living allowance to a maximum of \$1,188, as well as comprehensive health supports to help clients meet their basic needs and become as independent as possible. In addition, clients with \$3,000 or less in assets are eligible for personal benefits to help with extra monthly or one-time needs, such as the cost of child care, infant needs, special diet, maintaining a service animal, medical supplies or equipment, and training or employment supports. Personal benefits enable the AISH program to be more responsive to unique client needs. In 2010-11, the AISH program provided financial assistance to approximately 43,000 clients and personal benefits to approximately 9,000 clients.

Performance Measure 2.a -- Percentage of AISH clients who agree that personal benefits help them live more independently than if they were unable to access these benefits.

In the 2010-11 survey of AISH clients who received at least one personal benefit, 72 per cent of respondents agreed that the personal benefit(s) helped them to live more independently than if they were unable to access the benefit(s). This result is slightly lower than in 2009-10 and did not meet the target of 77%. The survey responses do not allow for conclusive determination of the factors causing this decrease. However, a strong majority of respondents continue to agree that personal benefits contribute to their independence. (See Performance Measures Methodology 2.a, page 40.)



STRATEGY 2.1 Work with government partners to improve alignment of financial supports for Albertans with disabilities.

- Albertans with disabilities may be eligible for a number of services delivered across government, including income support from AISH and supports funded by the PDD program. In 2010-11, the ministry simplified the AISH application and eligibility process for clients who are also eligible for PDD-funded services. The determination that an individual with a developmental disability is eligible for PDD is now accepted by the AISH program for medical eligibility determination purposes. As a result, PDD clients are not required to submit additional medical documentation when applying for AISH and are only required to complete the financial portion of the AISH eligibility process.
- As part of its focus on increasing administrative efficiencies in the AISH program, the ministry has made the AISH application and other related forms available to the public online. AISH forms are now more easily available to the public through multiple channels, including in-person, by telephone and online.

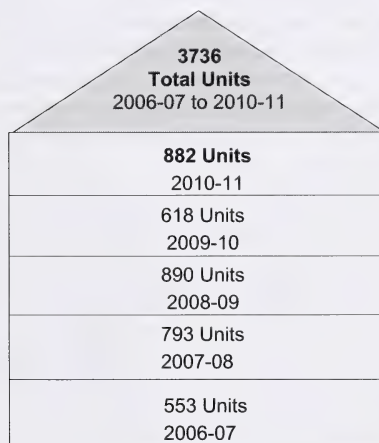
Accurate and consistent information on programs and the people they serve contributes to effective program design and delivery. In 2010-11, the Ministry led the development of two additional fact sheets for the Government of Alberta's inventory of official statistics. Fact sheets entitled *Profile of Disabilities among Albertans Aged 15+* and *Labour Force Status of Albertans with and without Disabilities*, are now available online through the Office of Statistics and Information website: osi.alberta.ca/osi-content/Pages/OfficialStatistics.aspx

GOAL 3 Linked to Core Business 2 – Plan, provide and coordinate necessary supports and services for living in the community.

Seniors and persons with disabilities have appropriate supportive living options.

The continuing care system is composed of three streams: home living, supportive living and facility living (long-term care). Albertans value their independence and want to choose how and where they live, whenever possible. The Ministry works with community partners to foster the development of affordable accommodation options that are appropriate for changing needs and life stages, with the goal of assisting seniors and persons with disabilities to live as independently as possible. The Ministry also develops, monitors and enforces compliance with mandatory accommodation standards for supportive living and long-term care settings across the province. The accommodation standards are designed to support a safe, secure and comfortable environment for residents. Supportive living facilities are licensed by the Ministry based on their compliance with the *Supportive Living Accommodation Licensing Act*, which includes the Supportive Living Accommodation Standards. The Ministry also sets maximum accommodation fees for long-term care residents.

Performance Measure 3.a -- Number of affordable supportive living units for aging in place developed with support from provincial funding.



2010-11 Target: 500 Units

STRATEGY 3.1 As part of the province's *Continuing Care Strategy*, allocate approved capital funding to develop additional affordable supportive living units for Albertans to age in place.

- ☐ In 2010-11, the province provided \$89.1 million in funding from the Affordable Supportive Living Initiative and Alberta Capital Bonds to support the development of 882 new affordable supportive living accommodation spaces and 30 long-term care beds. These units represent 11 projects in 10 communities across the province. (See Performance Measures Methodology 3.a, page 40.)

STRATEGY 3.2 Enhance the quality of accommodation in supportive living and long-term care facilities through accommodation standards, monitoring and accreditation.

- ☐ The Ministry revised the Supportive Living and Long-term Care Accommodation Standards in 2010, including new guidelines for the kinds of evidence required to demonstrate compliance with the standards. The Ministry now monitors compliance with 32 supportive living and 30 long-term care standards related to accommodation and related services, which include meals, cleaning, maintenance, and safety and security. Supportive living and long-term care facilities must be monitored at least annually against the provincial accommodation standards. For supportive living settings, compliance with accommodation standards is a requirement for obtaining or renewing a license to operate.

- In the 2010-11 fiscal year, Ministry staff monitored 728 supportive living facilities (184 assisted living, 400 group homes and 144 lodges) and 173 long-term care facilities for compliance with provincial accommodation standards. In total, over 1,250 visits were made to monitor to the accommodation standards, investigate complaints and follow up on previous non-compliances.
- In 2010-11, 82 per cent of Group Homes, 82 per cent of Lodges and 86 per cent of Assisted Living facilities met all provincial Supportive Living Accommodation Standards at the end of the reporting period. Seventy per cent of long-term care facilities met all provincial accommodation¹ standards. (See Performance Measures Methodology 3.a, page 40.) Information sessions were delivered across the province to help operators prepare for the changes and fulfill the requirements within the timelines. Nevertheless, some operators had difficulty adjusting to the new requirements, which caused compliance rates to decline slightly from the previous year. Facilities must meet all standards to be considered in compliance. Independent inspections are conducted at least annually, and accommodations must be inspected before the end of the reporting period to be included in the results.

To help Albertans make informed decisions about supportive living accommodations, Seniors and Community Supports publishes information about Alberta's supportive living and long-term care facilities online at: asalreporting.gov.ab.ca/astral/. The web site can be used to search for a supportive living facility, compare facilities, and view facilities' compliance with accommodation standards.

- The Ministry also streamlined the process for Albertans to register complaints about supportive living and long-term care accommodation standards. Albertans can now seek information about supportive living facilities or make complaints through the new Alberta Supports Contact Centre.
- The Ministry increased the Lodge Assistance Program (LAP) per diem grant, effective February 2011. The LAP grant is provided to provincial lodge operators under the Alberta Housing Act to assist them in providing services to low income residents. The LAP grant was increased to \$8.75 per day for every eligible resident. The Special Services per diem grant was increased to \$3.70 to assist with the costs incurred by lodge staff to provide additional services such as special diets to low-income residents.
- In March 2011, the Ministry also provided a one-time maintenance grant of \$300 per unit to all seniors lodge operators receiving the LAP grant. The funding will assist in addressing maintenance issues and improvement of safety and security for lodge residents. Over \$3 million was distributed to the approximately 150 lodges across the province.

¹ Note: The Ministry monitors against the provincial accommodation standards only. Health and Wellness monitors health service standards.

STRATEGY 3.3 Review the approach to regulating residents' long-term care accommodation fees to provide better incentives for the development of new or replacement spaces and the improvement of existing facilities.

- ☐ To help ensure quality accommodation and related services are provided in the province's long-term care facilities, long-term care facility operators were allowed to adjust maximum accommodation fees effective February 1, 2011.
- ☐ The Ministry assisted eligible low-income residents with the fee adjustment, by providing supplemental financial assistance through the Alberta Seniors Benefit (ASB) and Assured Income for Severely Handicapped (AISH) programs. About 8,100 of the over 14,500 Albertans in long-term care facilities receive financial assistance through the ASB and AISH programs.

Alberta's maximum fees for long-term accommodations continue to be among the lowest in Canada, and the minimum disposable income amounts remaining to residents after they pay their accommodation fees continue to be among the highest.

STRATEGY 3.4 Implement the new *Supportive Living Accommodation and Licensing Act*.

- ☐ The new *Supportive Living Accommodation and Licensing Act* and regulations were proclaimed on April 1, 2010. The regulations include revised Supportive Living Accommodation Standards. The Long-term Care Accommodation Standards were also revised to correspond with the Supportive Living Accommodation Standards.
- ☐ As part of the implementation of the new act, the Ministry delivered 23 education sessions and provided information materials for residents, affected agencies, government and the general public. Clear information on the new act assisted stakeholders, such as Executive Officers of Health, fire department personnel and facility operators to understand the requirements for licensing and maintaining a safe and comfortable environment for residents.
- ☐ As a result of new, broader eligibility criteria for licensable supportive living residences under the new act, 155 settings were redefined as supportive living and were required to be inspected and licensed based on compliance to the Supportive Living Accommodation Standards. Seniors' lodges must now be licensed; prior to the new act, lodges were monitored for compliance to the accommodation standards but did not require licenses.
- ☐ As part of the new accommodation standards, operators are now required to submit an incident report directly to the Ministry within two business days when critical incidents to accommodation services occur in their setting. Reportable incidents are events related to the accommodation that has caused death or serious harm to a resident, an unaccounted resident, extensive damage to the accommodation or an unplanned event has occurred causing activation of a contingency plan. Requiring incident reports to be submitted directly to the Ministry allows for the Ministry to respond to any incidents in a more effective and timely manner.

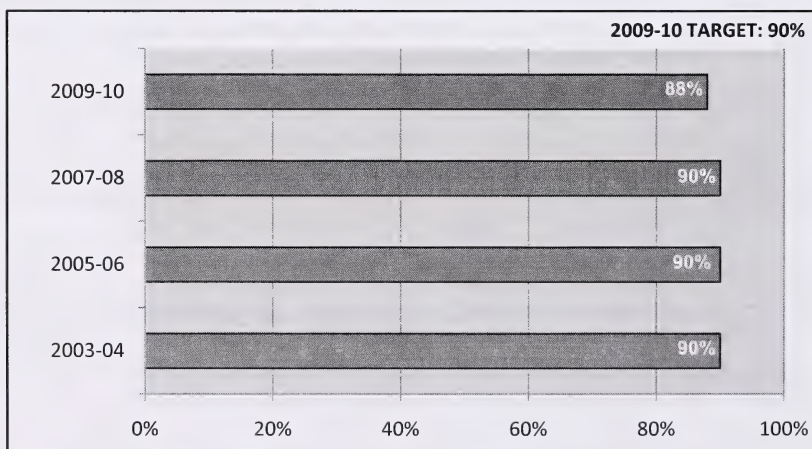
GOAL 4 Linked to Core Business 2 – Plan, provide and coordinate necessary supports and services for living in the community.

The ministry's health-related supports and services enhance independence and well-being.

The Ministry is responsible for delivering a number of programs that provide health-related support to Albertans, including Alberta Aids to Daily Living (AADL), various health-related supports through the AISH program, and optical and dental assistance for seniors. These supports assist seniors and Albertans with a disability, chronic illness or terminal illness to maintain their health and independence at home or in the community.

Performance Measure 4.a -- Percentage of AADL clients who agreed that AADL helped them be more independent in their homes or residences.

In 2009-10, the most recent year in which this biennial survey was conducted, 88 per cent of respondents agreed that the equipment or supplies they received through AADL helped them be more independent in their home or residence, with 64 per cent of clients indicating strong agreement. The level of overall agreement is similar to ratings given in previous surveys. (See Performance Measures Methodology 4.a, page 40.)



- ☐ In 2010-11 more than 84,400 seniors received assistance through the Dental Assistance for Seniors program. On average, the program provided funding for more than 14,500 visits to dental providers each month. The average assistance provided through the dental program was \$681 per senior.
- ☐ The Optical Assistance for Seniors program assisted almost 36,000 seniors with the purchase of prescription eyeglasses in 2010-11. The average assistance provided was \$195.

STRATEGY 4.1 Work with government partners to integrate and align health-related supports within the ministry and across ministries.

- The Ministry worked with representatives from Employment and Immigration and Children and Youth Services to develop and implement recommendations for the alignment of health-related supports. As a result, effective July 1, 2010, all hearing aid funding is now delivered under one program, Alberta Aids to Daily Living (AADL). The alignment across ministries has made it easier for eligible Albertans who require hearing aids to get financial assistance. The change also improved administrative and payment processes for hearing aid vendors.

GOAL 5 Linked to Core Business 2 – Plan, provide and coordinate necessary supports and services for living in the community.

Seniors and persons with disabilities have access to supports and services needed to participate in community life.

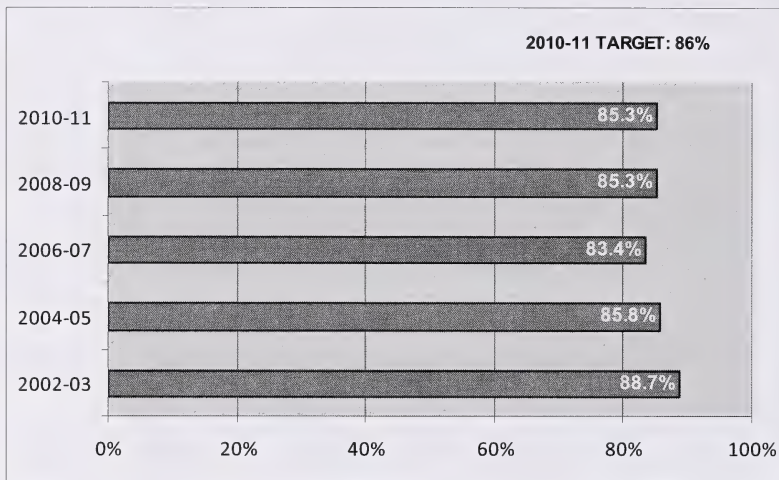
Participating in the community means being able to work, volunteer, engage in educational, recreational and other chosen activities. To assist Albertans who need support to access these opportunities, the Ministry works with partners to create awareness of issues such as accessibility and visitability of public spaces and private residences, and to identify initiatives to enable all seniors and persons with disabilities to participate in every aspect of Alberta society.

To ensure seniors have access to consistent and accurate information on the programs and services available to them, the Ministry produces the *Seniors Programs and Services Information Guide*. In 2010-11, more than 47,000 copies of the guide were distributed to Albertans by mail, through Seniors Information Services Offices and seniors' organizations throughout Alberta. The Ministry also provides access to information through the provincial toll-free Alberta Supports Contact Centre¹ and the Ministry website at www.seniors.alberta.ca.

¹ The Seniors Information Line amalgamated with the Alberta Supports Contact Centre in December 2010.

Performance Measure 5.a -- Satisfaction of families/guardians of adults with developmental disabilities with PDD-funded services.

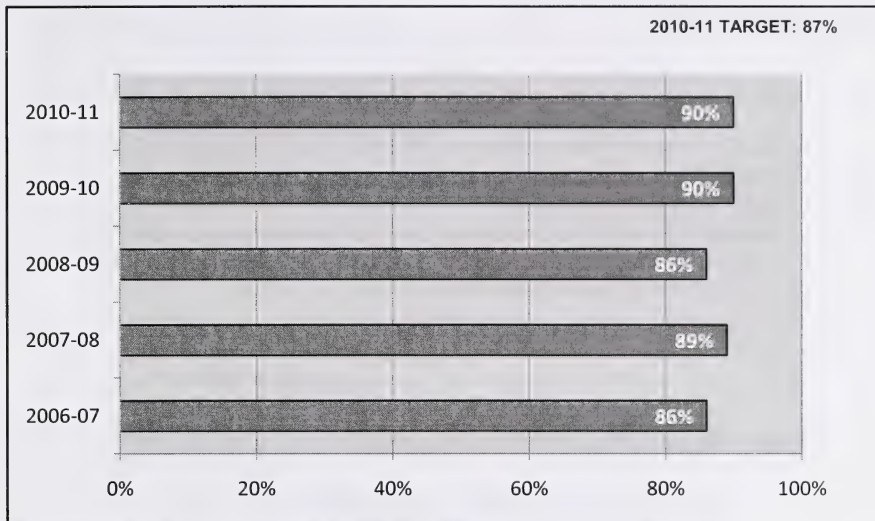
The PDD program provides adults with a developmental disability with home living, community access and employment supports, which assist them to participate in community life and be as independent as possible. Results from the 2010-11 PDD Family/Guardian Satisfaction Survey indicate that 85.3 per cent of families/guardians (public and private) reported overall satisfaction with PDD-funded services received by the person to whom they provide guardianship. Satisfaction in 2010-11 remained the same as in 2008-09, and only slightly lower (0.7 per cent) than the target of 86 per cent. (See Performance Measures Methodology 5.a, page 40.)



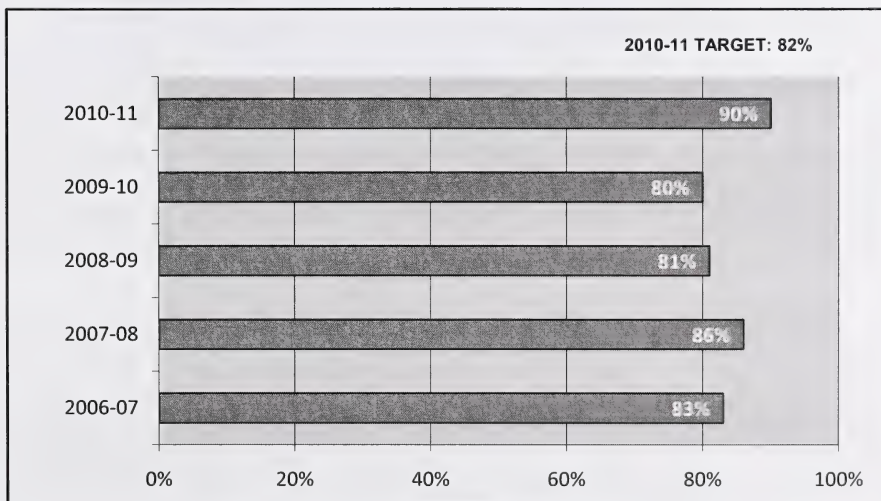
Performance Measure 5.b -- Percentage of people with brain injuries and/or other disabilities and their families/caregivers reporting they feel supported by the Alberta Brain Injury and Cross-Disability Support Services initiatives.

In the Ministry's annual survey for the Alberta Brain Injury Initiative and Cross Disability Support Services (CDSS), 90 per cent of clients with brain injury and/or other disabilities reported that they felt supported. This is consistent with the 2009-10 result and exceeded the target of 87 per cent. In addition, 90 per cent of families/caregivers agreed that the agency made it easier for them to support the individual with brain injury and/or other disabilities. This result represents an increase from 80 per cent in 2009-10 and exceeded the target of 82 per cent. (See Performance Measures Methodology 5.b, page 41.)

Persons with brain injury and/or other disabilities

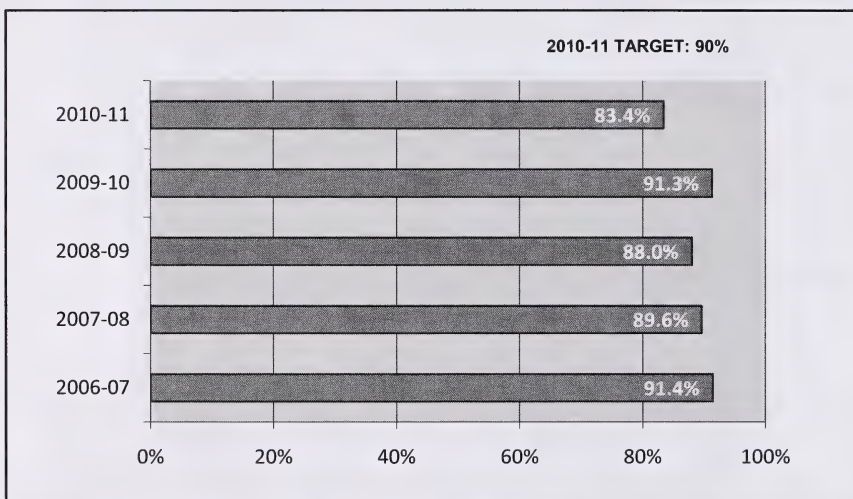


Families and caregivers



Performance Measure 5.c. -- Satisfaction with the information services provided by the Seniors Information Line.

The Ministry's 2010-11 survey results indicate that 83.4 per cent of the respondents were satisfied with information services provided by the Seniors Information Line. Satisfaction decreased by 7.9 percentage points from 91.3 per cent in 2009-10. Some factors that may have affected client satisfaction include wait times and call volumes. (See Performance Measures Methodology 5.c, page 41.) The Seniors Information Line assisted more than 112,000 callers before transferring to the Alberta Supports Contact Centre on December 6, 2010.



- ☐ The Ministry continued to provide comprehensive information to Albertans about the range of programs and services available to seniors:
 - The Ministry provided Albertans with over 185,000 publications, forms and brochures related to seniors financial assistance programs.
 - The Ministry partnered with Calgary Seniors Resource Society to co-host the 2010 Seniors Services Conference "Grey Matters" on September 23 and 24, attended by more than 170 front line workers who support seniors. As part of the effort to continually enhance the value for the attendees, for the first time, accredited learning opportunities were provided for Registered Social Workers and online registration was available.
- ☐ The Ministry also worked with the Federal, Provincial and Territorial Ministers Responsible for Seniors to sponsor a conference focused on promoting positive attitudes and images of aging among the general public. Misconceptions about older people and the aging process can affect access to resources and opportunities, and even impact a seniors' general well-being. The symposium was held in conjunction with the Canadian Association on Gerontology's 39th Annual Scientific and Educational Meeting held December 2-4, 2010 in Montreal. Over 100 experts and professionals in the fields of aging, media and advertising discussed how and why

misconceptions about aging are formed, how they influence society, and how to become an agent of change to promote positive and realistic images of aging.

- ☐ To promote positive images of aging, the ministry also worked with its Federal, Provincial, and Territorial counterparts to develop the Celebrating Seniors web banner which demonstrates the achievements and contributions that Canada's seniors make to their communities, their families and Canadian society at large. The web banner is available to view on the ministry website at www.seniors.alberta.ca/celebratingseniors.
- ☐ The Ministry partnered with the Seniors Advisory Council for Alberta to promote Seniors Week 2010. Seniors make a difference in Alberta communities every day. From supporting family members and friends to assisting charities and volunteering, seniors contributions benefit Albertans of all ages.
- ☐ The 2010 Minister's Seniors Service Awards were presented at a special ceremony in June during Seniors' Week. This award recognized Albertans who volunteer their time to make a difference in the lives of seniors

STRATEGY 5.1 Implement improvements to the PDD program to increase clarity, consistency, effectiveness and efficiency, and ensure the program's long-term sustainability.

- ☐ In 2010-11 the Ministry commissioned a review of the PDD program to identify efficiencies and savings in program administration that can be redirected to front-line services for individuals. The review did not involve front-line services to individuals, but examined the internal administrative operations of the PDD program, including the provincial program branch, the PDD Community Boards and their directly operated facilities. The review also examined administration costs of the agencies contracted by the program to provide services to individuals. Implementation of the approved recommendations will begin in 2011-12.
- ☐ The Ministry held dialogue sessions with families/guardians of adults with a developmental disability to gather their views on flexibility within the contracting process. Based on this feedback, the Ministry implemented a single contract template to replace previous Family Managed Service Agreements. The new processes are designed to decrease administrative burden for families while maintaining the necessary level of accountability.

Family Managed Services (FMS) is a funding option available in the PDD program in which families direct and manage supports for their family member with a developmental disability. The focus is on allowing families to have the appropriate level of flexibility in directing these services while ensuring accountability and the achievement of positive outcomes for the individual receiving supports.

- ☐ To provide better supports to individuals with complex service needs, the Ministry analyzed training needs for service providers and families who support adults with complex service needs. The Ministry also worked with Alberta Health Services, and the ministries of Health and Wellness, Solicitor General and Public Security, Education, Advanced Education and Technology, and Employment and Immigration to develop a cross-ministry policy framework

and an implementation plan to enhance the coordination and integration of services for adults with complex service needs.

- ☐ The Ministry continued to implement a common assessment tool for individuals receiving PDD program services that focuses on the needs of the individual and ensures people with developmental disabilities have the supports to achieve positive outcomes. As of March 31, 2011, over 2,900 individuals have been assessed using the Supports Intensity Scale (SIS), an objective assessment tool used internationally to determine support needs.
- ☐ The PDD Community Boards worked with government and community partners to enhance the capacity of communities to support adults with a developmental disability through activities such as promotion and facilitation of inclusive post-secondary education opportunities; workshops and presentations to raise awareness in communities; and engaging with self-advocates obtaining their input on aspects of the PDD program. Self advocacy is a way that individuals develop the skills and confidence to become as independent as possible.
- ☐ The PDD Community Boards facilitated individual leadership and self-advocacy activities such as Regional Community Leadership Awards for Self Advocacy and Family Leadership, a Self Advocate Leadership retreat and conferences for self advocates to support the goal of creating more inclusive communities.
- ☐ The Ministry created a Provincial Advisory Committee for the PDD program. Stakeholders include families, service providers, representatives from the Alberta Association for Community Living and the Alberta Council of Disability Services, as well as senior PDD program staff. The Advisory Committee will provide ongoing opportunities for the program to communicate with stakeholders and gather feedback on operational matters related to the PDD program.
- ☐ The Ministry improved clarity in the PDD program by posting PDD provincial policies online in an easy-to-navigate web-based system. This comprehensive information source replaces existing policy frameworks and other documents, and makes it easier for individuals, families and stakeholders to understand the program. Online policy information includes eligibility and assessment of service needs, types of supports provided by the PDD program, service delivery, appeals and contract administration.

STRATEGY 5.2 *Work with government and other key partners to integrate and align social-based assistance programs and services to improve access and ease transitions between programs.*

- ☐ As part of the cross-government Alberta Supports initiative, the Ministry and its partners established a single website and phone number for Albertans to access information about a range of provincial social-based programs so they can get the right help at the right time. This “single door” approach to services now makes it simpler for Albertans to access services and will help them transition between programs as they age or their circumstances change. The web portal has two sections: a list of resources and a web-based tool to determine potential eligibility. The contact centre enables Albertans to call one telephone number for up-to-date information, helps Albertans navigate the web portal, provides forms and makes referrals as required.

Albertans can now access information about provincial social-based assistance programs by visiting a single website (www.albertasupports.ca) or calling one phone number 1-877-644-9992 toll free, or 780-644-9992 in Edmonton.

- A number of pilot projects around the province are underway to explore new approaches to delivering in-person services:
 - Families and individuals in Slave Lake who require programs and services from multiple ministries can now go through a coordinated intake process.
 - Individuals with disabilities in Central Region who are transitioning from childhood programs to potential adult programs and/or independent living are now served by a transitioning process.
 - Those who require support in using Alberta Supports' online tools now have supported access sites located in non-government locations. The test sites will include computers and telephones to help clients find program information using the Alberta Supports web portal and contact centre.

Alberta Supports is a cross-ministry initiative involving the following Government of Alberta partnering ministries: Seniors and Community Supports, Employment and Immigration, Children and Youth Services, Housing and Urban Affairs, and Service Alberta, with support from Executive Council, Health and Wellness, Justice and Attorney General, Finance and Enterprise and Treasury Board.

GOAL 6 Linked to Core Business 2 – Plan, provide and coordinate necessary supports and services for living in the community.

Safeguards for seniors and persons with disabilities improve safety and well-being.

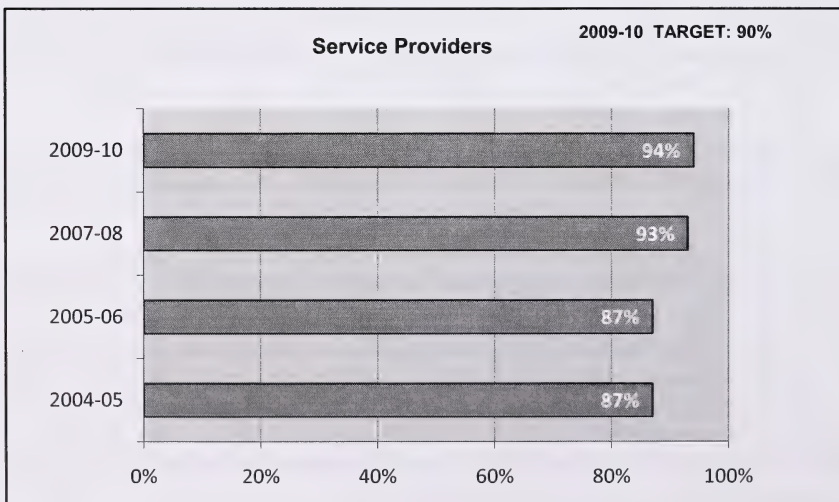
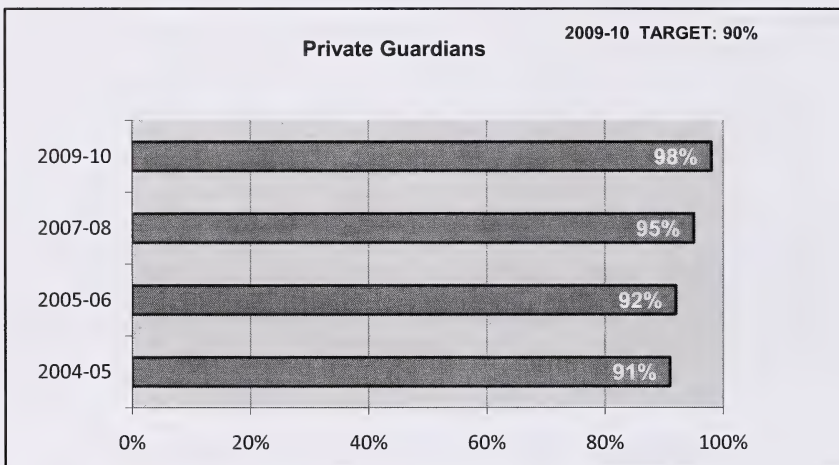
The Ministry has a strong interest in addressing the safety and security needs of adults who may be vulnerable to abuse and neglect, including persons with disabilities, seniors, and persons who require the assistance of a guardian to make personal decisions.

Through the *Protection for Persons in Care Act*, the Ministry investigates and responds to complaints of abuse of people receiving government-funded care services. In 2010-11, the Protection for Persons in Care (PPC) Branch responded to 363 reports of abuse.

The Office of the Public Guardian (OPG) administers the *Adult Guardianship and Trusteeship Act* (AGTA) and the *Personal Directives Act* (PDA), which serve protective functions for vulnerable adults with capacity limitations. In addition, the Persons with Developmental Disabilities program has an Abuse Prevention and Response Protocol for addressing abuse of adults with developmental disabilities. The Ministry also works with other ministries and other levels of government to prevent and address abuse of seniors.

Performance Measure 6.a -- Satisfaction with supports and decision-making services provided by the Office of the Public Guardian.

In 2009-10, the most recent year for which data are available, the Ministry once again surveyed private guardians who had applied for or renewed their guardianship order within the last 12 months. Ninety-eight per cent of private guardians expressed satisfaction with the OPG in 2010, an increase over 2007-08 results among this group. Survey results also indicate that 94 per cent of service providers were satisfied with the services provided by the OPG. This is a modest increase over an already high level of satisfaction (93 per cent) measured in 2007-08.



In 2009-10, interviews with a total of 42 represented adults with a public guardian were held in eight communities across the province. Eighty-eight per cent of the participating represented adults with a public guardian said their guardian listened to what they had to say. Eighty-eight per cent of represented adults with a public guardian also said they trusted, or could “count on” their guardian, and 86 per cent stated they believed their guardian made their life better. (See Performance Measures Methodology 6.b, page 41.)

STRATEGY 6.1 Implement the rewritten *Protection for Persons in Care Act* and the accompanying regulations to strengthen the prevention of abuse and improve safeguards for adult Albertans.

- ☐ The new *Protection for Persons in Care Act* was proclaimed on July 1, 2010. The legislation was designed to improve protection for adults who receive government-funded care or support services by emphasizing the prevention of abuse. The act sets out clear responsibilities for service providers to prevent, report and address abuse, including a requirement for service providers to educate their staff about what abuse is, how to prevent it and how to report it. The new act also includes stronger enforcement mechanisms, with higher penalties for infractions such as failure to report abuse. This new law reflects a commitment to improve the safety, security and well-being of adults who access government care or support services in Alberta.
- ☐ As part of a comprehensive education and awareness campaign to inform stakeholders about the new legislation, new public awareness materials were developed and broadly distributed (including 89,154 brochures and 3,363 posters). The new brochure was also published in French and Chinese. The Ministry also made information available on its website, including information about reporting abuse, Frequently Asked Questions, five Fact Sheets and a Guide to Understanding the Protection for Persons in Care Act.
- ☐ The Ministry made special efforts to ensure that affected stakeholders were aware of the new legislation. Presentations and information sessions were delivered to over 300 stakeholder participants, including health care professionals and representatives from community service provider agencies. Information about the new act was made available in various newsletters, through website postings and letters. Electronic educational tools were also developed and distributed to service providers to help them better understand their responsibilities under the new legislation.

STRATEGY 6.2 Work with ministry partners to prevent and raise awareness of elder abuse.

- ☐ On November 16, 2010, *Addressing Elder Abuse in Alberta: A Strategy for Collective Action* was released. The Strategy provides a plan for the Government of Alberta to work with other governments, community partners and the general public to prevent and address elder abuse. This important strategy will support seniors' safety, security and dignity by focusing on four key goals: improved awareness; skilled service providers; coordinated community responses; and protective laws and policies. This Strategy supports ongoing efforts to prevent family violence and bullying, and builds on the policy directions set out in the Aging Population Policy Framework. (See Goal 1, page 21.)

Seniors play a vital role in our province and we need to work together to ensure they are treated with dignity and respect. *Addressing Elder Abuse in Alberta: A Strategy for Collective Action* and additional information are available on the Alberta Seniors and Community Supports website at www.seniors.alberta.ca/Protection.

- On June 15, 2010, the Government of Alberta joined communities and governments around the world to raise awareness and prevent elder abuse during the 5th annual World Elder Abuse Awareness Day.
 - In collaboration with the Alberta Elder Abuse Awareness Network, the Ministry created A Guide to Supported Decision-Making: protecting individual rights and reducing the risk of elder abuse. The Guide provides an overview of available tools that clarify decision-making about financial and personal matters.
 - The Ministry worked with the Federal/Provincial/Territorial Ministers Responsible for Seniors Forum to develop a series of eight fact sheets for older adults. The What Every Older Canadian Should Know series encourages older Canadians to make informed decisions about their financial well-being and to protect themselves from financial abuse.
 - The guide and fact sheets were distributed to more than 2,400 organizations across the province as part of an information package, which also included posters and information on other available resources.

STRATEGY 6.3 Implement a new process for reviewing co-decision making, guardianship and trusteeship applications prior to court that increases the involvement of represented or assisted adults and enhances the information provided to them.

- In 2010-11, the Ministry continued efforts to implement the new court application process under the *Adult Guardianship and Trusteeship Act* (AGTA). Review Officers processed over 1,200 applications under the act. This included meeting with the proposed assisted or represented adult and reviewing the applicant's suitability for their decision-making role. The new process offers greater safeguards for the adult when an application is made and ensures the court receives information about the adult's views and wishes regarding the application.
- The OPG delivered 23 training sessions across the province to more than 240 lawyers and legal assistants to educate them on the new application process and ensure pertinent information was provided at the time of application. The OPG worked closely with Clerks of the Court from all judicial districts in the province to develop consistent protocols and practices with respect to AGTA applications across Alberta.
- The OPG reviewed its current publications and developed improved plain-language resources aimed at assisted and represented adults. These resources are intended to make it easier for adults with disabilities to understand the application process and be as informed as possible about guardianship and the other decision-making options under the AGTA.

STRATEGY 6.4 Educate Albertans on new supported and assisted decision-making tools available under the *Adult Guardianship and Trusteeship Act*.

- ☐ The Ministry employed various methods to educate the public and stakeholders about the new decision-making tools under the AGTA, including presentations, print ads in daily and weekly newspapers and updated fact sheets for private guardians.

The OPG continued to support Albertans who act as a private guardian for a friend or family member. Over 400 private guardians attended five symposia across the province, which provided them with information, resources and assistance in undertaking their role as guardian. Fact sheets on decision making in specific areas, such as health care or the choice of where to live were also updated to assist private guardians in their role.

- ☐ Across the province, OPG regional staff delivered 57 presentations about guardianship and legislative changes that allow new options under the AGTA. The information reached over 2,240 members of the public and service providers. OPG staff delivered an additional 65 presentations about all substitute decision-making options, including advanced planning with personal directives. Over 1,900 Albertans and interested professionals attended these information sessions.
- ☐ The Ministry also focused efforts on informing and responding to health-care professionals on matters related to the AGTA. The OPG and Alberta Health Services (AHS) collaborated to deliver three interactive internet-based educational sessions for health professionals in a variety of settings across the province, including those in continuing care. The OPG also supported AHS in implementing its own updated policy on informed consent to health care. Staff with the OPG attended five AHS sessions to help provide detailed information on substitute decision making. As well, the Ministry responded to concerns of health care professionals by consolidating regulated forms for Specific Decision Making provisions in the AGTA.

Performance Measures Methodology

Measure 1.a: Measure 1.a is calculated using taxfiler data from Statistics Canada. The total aggregate income of Alberta seniors is divided by the number of seniors (65 or older) receiving income to attain the average total income of Alberta seniors. The same calculation is performed on data for Canadian seniors to attain the average total income for this population. The percentage difference between the average total income of Alberta seniors and Canadian seniors is then calculated. Incomes are reported using unadjusted dollars. To increase clarity, beginning in 2011-12 the wording of this measure will be changed to "Percentage by which senior's average total income in Alberta exceeds the Canadian average".

Measure 1.b: Results for Measure 1.b were calculated using data from the Special Needs Assistance Information System. The results identify the number of working days from the received date to the decision date. Working days are normal business days and do not include weekends and holidays.

Measure 2.a: The data for performance measure 2.a were collected through a telephone survey conducted by an independent research firm. Respondents are asked to answer the question "As a result of receiving [name of benefit] are you able to live more independently than if you were unable to access this benefit?" using a four-point agreement scale (strongly disagree, disagree, agree, or strongly agree). Scores 3 and 4 are combined in the results to obtain an overall rating of agreement. A total of 406 AISH clients who received at least one personal benefit responded to the telephone survey during the first two weeks of February 2011. Surveys were conducted until the targeted sample of 400 or more was reached. The resulting sample size produces results that are considered accurate to within +/- 4.9 percentage points, 19 times out of 20. For surveys up to and including the 2009-10 survey year, the population was based on clients who received personal benefits during 10 months of the fiscal year (April 1 through January 31). To meet new annual reporting deadlines, the population for the 2010-11 survey was limited to clients who received benefits during the first 8 months of the fiscal year (April 1 through November 30). In comparing 2010-11 results to prior years' results, this methodological adjustment should be noted, but is not considered to significantly impair comparability.

Measure 3.a: Measure 3.a counts the number of affordable supportive living spaces that will be developed using grant funding committed to projects by the Ministry during 2010-11, as documented in the Affordable Supportive Living Initiative funding commitments.

Measure 4.a: Data for measure 4.a were collected by an independent research firm through telephone and mail surveys. The survey is conducted every two years. For the 2009-10 survey, the last year for which results are available, responses were collected from 1,200 randomly selected clients. To ensure representativeness, a quota for each of 5 AADL benefit categories was established and data are weighted to represent the actual distribution of clients among benefit groups. The target respondents for this measure are adults 18 years or over who have received benefits in 2009-10 through the AADL program or are caregivers for clients of the program. Caregivers were respondents in cases where the beneficiary is unable to complete the survey on his or her own. Palliative care patients are excluded from the research. The research was conducted between February 24 and March 22, 2010. Using a seven-point scale, respondents were asked to rate their level of agreement with the following statement: "The equipment or supplies you received through AADL helped you be more independent in your home or residence." Response categories of 4 through 7 (moderately agree to strongly agree) were combined to obtain an overall satisfaction rating. The level of accuracy for this sample is +/- 2.8 per cent, 19 times out of 20. Similar survey research has been conducted with AADL clients in 2004, 2006, and 2008.

Measure 5.a: Results for Measure 5.a are derived from a survey conducted every two years by an independent research firm. In 2010-11, a written questionnaire and information about the online survey option was sent by mail to legal guardians, including public and private guardians and/or family members of adults with developmental disabilities receiving services funded by PDD. A total of 6,008 survey forms were distributed in 2010-11. A total of 2,187 survey forms were returned, representing a response rate of 36.4 per cent. With respect to the indicators that

constitute the performance measure, a total of 1,913 respondents (87.5 per cent) provided valid responses. Responses of strongly agree, agree and somewhat agree were combined and are reported as satisfied. Responses of somewhat disagree, disagree and strongly disagree were combined and reported as dissatisfied. Of these valid responses, 85.3% reported overall satisfaction with funded services. Results are estimated to be accurate to within +/- 1.3%, 19 times out of 20. Surveys prior to 2008-09 used a 4-point response scale (strongly agree -- agree -- disagree -- strongly disagree). Additional response categories were added in 2008-09 to provide the program area with more detailed satisfaction data. As in prior years, performance measure results were calculated by combining all responses indicating a level of agreement or disagreement. In comparing results from 2008-09 and after to earlier results, this methodological adjustment should be noted, but is not considered to significantly impair comparability.

Measure 5.b: Data for measure 5.b is collected through a telephone survey conducted by an independent research firm of randomly selected clients and family/caregivers from lists provided by service delivery agencies funded by the Ministry. In the 2010-11 survey, the comparable client population was 1,486, and the sample included 418 respondents. Results for the client survey are considered accurate to within +/- 5 per cent 19 times out of 20. The caregiver population was 375. The caregiver sample of 222 respondents yields results that are considered accurate to within +/- 5 per cent, 19 times out of 20. In all cases, minimum surveying quotas were met to ensure a representative sample by program type or service category.

Measure 5.c: Satisfaction data for the Seniors Information Line services was collected through telephone questionnaires of 350 randomly selected clients who had contacted the Ministry on the previous day. A total of 350 surveys were completed, representing a response rate of 30.8%. The 2010-11 survey was conducted by independent surveyors from October 19 to November 1, 2010. The top two response categories ("very satisfied" and "satisfied") of a six-point scale were combined for an overall rating of satisfaction. Prior to 2009-10, surveys were conducted during two periods of the year. Analysis of the historical data revealed no relationship between the period of the survey and satisfaction results; therefore, the second survey period was dropped for 2009-10 and subsequent years. The 2010-11 survey is considered accurate to within 5.2 per cent, 19 times out of 20.

Measure 6.a: The surveys for the Office of the Public Guardian (OPG) are conducted by telephone every two years by an independent research firm. For 2009-10, the last year for which data are available, the survey was conducted in January and February of 2010. The OPG provided a list of all private guardians who had applied for or renewed a guardianship order within 12 months of the survey. From this list of 1,269 private guardians, a random sample of 955 private guardians were notified that they may be contacted to participate in a survey. Telephone surveys were conducted until responses were obtained from 308 private guardians. This sample is directly comparable to the 2006 and 2008 surveys which focused on private guardians who had applied for or renewed a guardianship order within 12 months. Respondents were asked to use a 4-point scale of (1) "Very Satisfied", (2) "Somewhat Satisfied", (3) "Somewhat Dissatisfied", (4) "Very Dissatisfied". The responses to "Very Satisfied" and "Somewhat Satisfied" are combined in the results to obtain an overall rating of satisfaction. The results are considered accurate to within +/- 4.9 percentage points, 19 times out of 20. The OPG provided the survey firm with a list of 554 Service Providers known to have had contact with the OPG and responses were obtained from 355 service providers. Results for this survey are considered to be accurate to within +/- 3.1 per cent, 19 times out of 20.

Interviews with represented adults were undertaken by a research and service agency specializing in disability-related research. The methodology used to gather information in the 2010 survey differed from that used in 2008. In 2008, focus group discussions were held with OPG clientele. Based on feedback provided by the 2008 focus group facilitator (e.g., some represented adults experienced anxiety in a group setting), individual interviews were utilized in 2010. Due to the unique methodological constraints and small sample size for the Represented Adults survey, caution is required in comparing results across years or generalizing results to the full population. Results are considered accurate to within +/- 14.5 per cent, 19 times out of 20.

FINANCIAL INFORMATION

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Consolidated Financial Statements

March 31, 2011

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Consolidated Financial Statements

Year ended March 31, 2011

Independent Auditor's Report

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Schedule 3 Budget

Schedule 4 Related Party Transactions

Schedule 5 Allocated Costs



Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Ministry of Seniors and Community Supports, which comprise the consolidated statement of financial position as at March 31, 2011, and the consolidated statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Merwan N. Saher, CA

Auditor General

June 10, 2011

Edmonton, Alberta

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Consolidated Statement of Operations

Year ended March 31, 2011

(thousands of dollars)

| | 2011 | | 2010 |
|--|----------------|----------------|----------------|
| | Budget | Actual | Actual |
| | (Schedule 3) | | |
| Revenues (Schedule 1) | | | |
| Transfers from the Government of Canada | \$ 310,342 | \$ 311,203 | \$ 302,094 |
| Other revenue | 2,340 | 10,490 | 8,202 |
| | 312,682 | 321,693 | 310,296 |
| Expenses – Directly incurred | | | |
| (Note 2(c) and Schedules 2 and 5) | | | |
| Assured Income for the Severely Handicapped | 733,614 | 757,594 | 716,700 |
| Support to Persons with Developmental Disabilities | 597,056 | 591,636 | 592,192 |
| Alberta Seniors Benefit | 326,364 | 320,607 | 309,494 |
| Seniors Dental and Optical Assistance | 65,896 | 65,764 | 62,234 |
| Special Needs Assistance for Seniors | 20,294 | 22,980 | 25,568 |
| School Property Tax Assistance | 11,000 | 12,162 | 11,455 |
| Seniors Lodge Assistance | 35,420 | 33,862 | 30,983 |
| Supportive Living and Long Term Care | 4,463 | 4,092 | 4,097 |
| Alberta Aids to Daily Living | 113,323 | 117,606 | 109,393 |
| Disability and Community Support Programs | 19,514 | 17,416 | 16,800 |
| Public Guardian Services | 9,620 | 9,656 | 8,967 |
| Ministry Support Services | 8,134 | 9,180 | 8,158 |
| Affordable Supportive Living Initiative | 50,000 | 89,147 | 50,055 |
| | 1,994,698 | 2,051,702 | 1,946,096 |
| Valuation adjustments | | | |
| Provision for doubtful accounts | 100 | 147 | 97 |
| Provision for vacation pay | 95 | 200 | 375 |
| | 195 | 347 | 472 |
| | 1,994,893 | 2,052,049 | 1,946,568 |
| Loss on disposal of tangible capital assets | - | 217 | 25 |
| Net operating results | \$ (1,682,211) | \$ (1,730,573) | \$ (1,636,297) |

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Consolidated Statement of Financial Position

As at March 31, 2011

(thousands of dollars)

| | 2011 | 2010 |
|---|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 46,274 | \$ 23,475 |
| Accounts receivable (Note 3) | 23,361 | 31,772 |
| Inventories | 401 | 414 |
| Tangible capital assets (Note 4) | 8,851 | 8,801 |
| | <u>\$ 78,887</u> | <u>\$ 64,462</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | \$ 242,351 | \$ 224,353 |
| Net Assets | | |
| Net assets (liabilities) at beginning of year | (159,891) | (207,407) |
| Net operating results | (1,730,573) | (1,636,297) |
| Net financing provided from General Revenues | <u>1,727,000</u> | <u>1,683,813</u> |
| Net assets (liabilities) at end of year | <u>(163,464)</u> | <u>(159,891)</u> |
| | <u>\$ 78,887</u> | <u>\$ 64,462</u> |

Contractual obligations and contingent liabilities (Notes 6 and 7)

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Consolidated Statement of Cash Flows

Year ended March 31, 2011

(thousands of dollars)

| | 2011 | 2010 |
|--|----------------|----------------|
| Operating transactions | | |
| Net operating results | \$ (1,730,573) | \$ (1,636,297) |
| Non-cash items included in net operating results | | |
| Amortization | 887 | 827 |
| Loss on disposal of tangible capital assets | 217 | 25 |
| Valuation adjustments | 347 | 472 |
| | (1,729,122) | (1,634,973) |
| Decrease (increase) in accounts receivable before valuation adjustments | 8,264 | (19,398) |
| Decrease (increase) in inventories | 13 | (27) |
| Increase (decrease) in accounts payable and accrued liabilities before valuation adjustments | 17,798 | (38,762) |
| Cash applied to operating transactions | (1,703,047) | (1,693,160) |
| Capital transactions | | |
| Acquisition of tangible capital assets | (1,172) | (686) |
| Transfer of tangible capital assets | - | 150 |
| Proceeds on disposal/sale of tangible capital assets | 18 | 9 |
| Cash applied to capital transactions | (1,154) | (527) |
| Financing transactions | | |
| Net financing provided from General Revenues | 1,727,000 | 1,683,813 |
| Increase (decrease) in cash and cash equivalents | 22,799 | (9,874) |
| Cash and cash equivalents, beginning of year | 23,475 | 33,349 |
| Cash and cash equivalents, end of year | \$ 46,274 | \$ 23,475 |

The accompanying notes and schedules are part of these consolidated financial statements.

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Consolidated Financial Statements

NOTE 1 AUTHORITY AND PURPOSE

The Minister of Seniors and Community Supports has, by the *Government Organization Act* and its regulations, been designated responsible for various Acts. To fulfill these responsibilities, the Minister is responsible for the organizations listed in Note 2(a). The authority under which each organization operates is also listed in Note 2(a). Together these organizations form the Ministry of Seniors and Community Supports.

The purpose of the Ministry is to provide supports, services, programs and information and strategic planning that contribute to the inclusion, well-being and independence of seniors, persons with disabilities, and seniors in need of housing supports.

This is done by:

- Providing targeted financial assistance.
- Planning, providing and coordinating supports and services for living in the community.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Ministry of Seniors and Community Supports. The *Government Accountability Act* defines the Ministry as including the Department of Seniors and Community Supports and any Provincial agency for which the Minister is responsible.

These consolidated financial statements include the accounts of the following organizations:

| <u>Organization</u> | <u>Authority</u> |
|---|---|
| Department of Seniors and Community Supports (Department) | <i>Government Organization Act</i> |
| Persons with Developmental Disabilities Community Boards | <i>Persons with Developmental Disabilities Community Governance Act</i> |

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Consolidated Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(a) Reporting Entity (continued)

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of departments are deposited into the Fund and all cash disbursements made by the departments are paid from the Fund. Net financing provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Consolidation

The accounts of the organizations listed in Note 2(a) above have been consolidated on a line by line basis. Revenue and expense transactions, investing and financing transactions, and related asset and liability accounts between the consolidated organizations were eliminated upon consolidation.

(c) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met and a reasonable estimate of the amounts can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities or unearned revenue.

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Consolidated Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(c) Basis of Financial Reporting (continued)

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents. Grants are recognized when authorized and eligibility criteria are met.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs which are the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

Incurred by Others

Services contributed by other entities in support of the Ministry's operations are not recognized and are disclosed in Schedule 4 and allocated to programs in Schedule 5.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Ministry are limited to cash and financial claims, such as advances to and receivables from other organizations, employees and other individuals as well as inventories held for resale.

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the average cost method.

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Consolidated Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(c) Basis of Financial Reporting (continued)

Assets (continued)

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets.

The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. Costs associated with business process reengineering and system development costs incurred during the preliminary project stage of an information technology project are expensed. System development costs associated with the application development stage and acquisition of software are capitalized. Capitalization of costs begins after the preliminary project stage and ends when the system application is completed and ready for its intended use.

The threshold for all other tangible capital assets is \$5,000.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

Amortization is only charged if the asset is in use.

When tangible capital assets are gifted or sold for a nominal sum, the fair values of these tangible capital assets less any nominal proceeds are recorded as grants in kind.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Consolidated Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(c) Basis of Financial Reporting (continued)

Net Assets/Net Liabilities

Net assets/net liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, inventories, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The nature of uncertainty, for Canada Social Transfers (CST), can arise from changes in the base allocations which are primarily a result of the Province of Alberta's share of the national population and the total CST cash set by federal legislation.

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Consolidated Financial Statements

NOTE 3 ACCOUNTS RECEIVABLE
(thousands of dollars)

| | 2011 | | 2010 | |
|---|------------------|---------------------------------------|----------------------------|----------------------------|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Government of Canada – Indian and Northern Affairs Canada | \$ 10,255 | \$ - | \$ 10,255 | \$ 13,187 |
| Accounts receivable | 13,231 | 125 | 13,106 | 18,585 |
| | <u>\$ 23,486</u> | <u>\$ 125</u> | <u>\$ 23,361</u> | <u>\$ 31,772</u> |

Accounts receivable are unsecured and non-interest bearing.

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Consolidated Financial Statements

NOTE 4 TANGIBLE CAPITAL ASSETS (thousands of dollars)

| | 2011 | | | | 2010 |
|---|--------------------------|--------------------------------|------------------------|------------------|------------------|
| | Equipment ⁽¹⁾ | Computer hardware and software | Leasehold improvements | Total | Total |
| Estimated useful life | 3 - 15 years | 5 years | 5 - 10 years | | |
| Historical cost ⁽²⁾ | | | | | |
| Beginning of year | \$ 4,503 | \$ 11,684 | \$ 1,034 | \$ 17,221 | \$ 17,132 |
| Additions | 234 | 653 | 285 | 1,172 | 686 |
| Transfers | - | - | - | - | (150) |
| Disposals, including write-downs | (259) | (243) | - | (502) | (447) |
| | <u>\$ 4,478</u> | <u>\$ 12,094</u> | <u>\$ 1,319</u> | <u>\$ 17,891</u> | <u>\$ 17,221</u> |
| Accumulated amortization | | | | | |
| Beginning of year | \$ 3,264 | \$ 4,923 | \$ 233 | \$ 8,420 | \$ 8,006 |
| Amortization expense | 306 | 472 | 109 | 887 | 827 |
| Effect of disposals | (259) | (8) | - | (267) | (413) |
| | <u>\$ 3,311</u> | <u>\$ 5,387</u> | <u>\$ 342</u> | <u>\$ 9,040</u> | <u>\$ 8,420</u> |
| Net book value at March 31, 2011 | <u>\$ 1,167</u> | <u>\$ 6,707</u> | <u>\$ 977</u> | <u>\$ 8,851</u> | |
| Net book value at March 31, 2010 | <u>\$ 1,226</u> | <u>\$ 6,770</u> | <u>\$ 805</u> | | <u>\$ 8,801</u> |

⁽¹⁾ Equipment includes office equipment and furniture, vehicles, heavy equipment, kitchen and laundry equipment, medical and rehabilitation equipment, bathing equipment, and other equipment.

⁽²⁾ Historical cost includes work-in-progress at March 31, 2011 totalling \$6,090 (2010 - \$5,834) comprised of: equipment \$59 (2010 - \$36) computer hardware and software \$6,031 (2010 - \$5,788), and leasehold improvements \$0 (2010 - \$10)

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Consolidated Financial Statements

NOTE 5 VOLUNTARY CONTRIBUTIONS

These financial statements do not include amounts relating to voluntary contributions received for materials and services because of the difficulty in determining their fair market value.

NOTE 6 CONTRACTUAL OBLIGATIONS (thousands of dollars)

Contractual obligations are obligations of the Ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

| | 2011 | 2010 |
|---|-----------|-----------|
| Obligations under operating leases, contracts and programs | \$ 29,780 | \$ 23,917 |

Estimated payment requirements for each of the next five years and thereafter are as follows:

Obligations under Operating Leases, Contracts and Programs

| | Total |
|------------|------------------|
| 2011-12 | \$ 23,789 |
| 2012-13 | 5,277 |
| 2013-14 | 274 |
| 2014-15 | 233 |
| 2015-16 | 141 |
| Thereafter | 66 |
| | <u>\$ 29,780</u> |

In addition, Persons with Developmental Disabilities (PDD) Community Boards contract with service operators to provide services to adults with developmental disabilities in the region. The PDD Boards will contract for services for the year ending March 31, 2012 in a similar manner as the year ended March 31, 2011. As at March 31, 2011, contractual commitments have been signed with service operators in the amount of \$294,631 for the year ending March 31, 2012 (\$182, 603 for the year ended March 31, 2011).

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Consolidated Financial Statements

NOTE 7 CONTINGENT LIABILITIES

(thousands of dollars)

The Ministry has a contingent liability in respect of five claims (2010 – four claims) aggregating \$3,687 (2010 – \$2,587) relating to decisions made by the Eugenics Board of Alberta pursuant to the Sexual Sterilization Act of 1928, which was repealed in 1972. The ultimate outcome of these claims cannot be determined.

At March 31, 2011 the Ministry is a defendant in eight legal claims (2010 – six legal claims). Four of these claims have specified amounts totalling \$615 and the remaining four have no specified amount (2010 – two claims with a specified amount of \$395 and four with no specified amount). Included in the total legal claims are six claims amounting to \$420 (2010 – five claims with a specified amount of \$200) in which the Ministry has been jointly named with other entities. Three claims amounting to \$100 (2010 – three claims with no specified amount) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

NOTE 8 TRUST FUNDS UNDER ADMINISTRATION

(thousands of dollars)

The Ministry administers trust funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

At March 31, 2011 the trust funds under administration were as follows:

| | 2011 | 2010 |
|---|---------------|---------------|
| Persons with Developmental Disabilities Community | | |
| Boards' client trust funds | \$ 275 | \$ 306 |
| Donations to Clients | 1 | 2 |
| | <u>\$ 276</u> | <u>\$ 308</u> |

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Consolidated Financial Statements

NOTE 9 **BENEFIT PLANS** (thousands of dollars)

The Ministry participates in the multi-employer pension plans: Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$12,533 for the year ended March 31, 2011 (2010 – \$10,698).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of \$397,087 (2009 – deficiency \$483,199) and the Public Service Pension Plan reported a deficiency of \$2,067,151 (2009 – deficiency \$1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,559 (2009 – deficiency \$39,516).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of \$4,141 (2010 – deficiency \$8,335) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$7,020 (2010 – surplus \$7,431). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 10 **GRANDFATHERED CLIENTS** (thousands of dollars)

When the *Persons with Developmental Disabilities Community Governance Act* (the Act) was passed by the Alberta Legislature in 1997, the new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria.

Certain individuals and agencies were receiving services prior to the passing of the Act but they no longer met the new criteria for Persons with Development Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* Report, Government directed that PDD boards continue providing services to these individuals and agencies until service responsibility is handed-off to a more appropriate provincial program. Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the Act.

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Consolidated Financial Statements

NOTE 10 GRANDFATHERED CLIENTS (continued)
(thousands of dollars)

The total cost of these services for 46 grandfathered individuals that has been included in the Consolidated Statements of Operations is estimated to be \$1,676 (2010 – 46 individuals with a cost of \$1,752). The total cost for 1 grandfathered agency, which provides services to an additional 11 individuals, that has been included in the Statements of Operations is estimated to be \$1,092 (2010 – \$1,066).

NOTE 11 COMPARATIVE FIGURES

Certain 2010 figures have been reclassified to conform to 2011 presentation.

NOTE 12 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Senior Financial Officer and the Deputy Minister of the Ministry.

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Consolidated Financial Statements

Revenues

Year ended March 31, 2011

(thousands of dollars)

SCHEDULE 1

| | 2011 | | 2010 |
|---|------------|------------|------------|
| | Budget | Actual | Actual |
| Transfers from the Government of Canada | | | |
| Canada Social Transfers | \$ 293,842 | \$ 291,508 | \$ 284,054 |
| Recoveries from Indian and Northern Affairs Canada | 16,500 | 19,695 | 18,040 |
| | 310,342 | 311,203 | 302,094 |
| Other revenue | | | |
| Refunds of expenses | 1,175 | 9,083 | 6,823 |
| Premiums, fees and licences | 1,000 | 1,168 | 1,154 |
| Sales | - | 164 | 176 |
| Interest income | - | 41 | 12 |
| Miscellaneous | 165 | 34 | 37 |
| | 2,340 | 10,490 | 8,202 |
| Total revenues | \$ 312,682 | \$ 321,693 | \$ 310,296 |

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Consolidated Financial Statements Expenses – Directly Incurred Detailed By Object Year ended March 31, 2011 (thousands of dollars)

SCHEDULE 2

| | 2011 | | 2010 |
|---|---------------------|---------------------|---------------------|
| | Budget | Actual | Actual |
| Expenses | | | |
| Salaries, wages and employee benefits | \$ 147,010 | \$ 139,886 | \$ 136,588 |
| Supplies and services | 539,498 | 535,453 | 530,350 |
| Supplies and services from support service arrangements with related parties ^(a) | 120 | 873 | 886 |
| Grants | 1,306,516 | 1,374,624 | 1,277,947 |
| Other | 788 | 364 | (145) |
| Amortization of tangible capital assets | 766 | 887 | 827 |
| Total expenses before recoveries | 1,994,698 | 2,052,087 | 1,946,453 |
| Less: recovery from support service arrangements with related parties ^(b) | - | (385) | (357) |
| | <u>\$ 1,994,698</u> | <u>\$ 2,051,702</u> | <u>\$ 1,946,096</u> |
| Valuation adjustments | | | |
| Provision for doubtful accounts | \$ 100 | \$ 147 | \$ 97 |
| Provision for vacation pay | 95 | 200 | 375 |
| | <u>\$ 195</u> | <u>\$ 347</u> | <u>\$ 472</u> |

^(a) The Ministry receives financial and administrative services from the Ministry of Employment and Immigration.

^(b) The Ministry provides program administration and support services to the Ministry of Children and Youth Services. The Ministry also provides information technology related services to the Ministry of Culture and Community Spirit and the Ministry of Tourism, Parks and Recreation. Costs of these services are recovered from the relevant Ministries.

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Consolidated Financial Statements

Budget

Year ended March 31, 2011

(thousands of dollars)

SCHEDULE 3

| | 2010-11 | | | | |
|--|----------------------|---------------------------------|----------------------|--|----------------------|
| | Estimates | Adjust- ments ^(a) | Budget | Authorized Supplementary ^(b) | Authorized Budget |
| Revenues | | | | | |
| Transfers from the Government of Canada | \$ 310,342 | \$ - | \$ 310,342 | \$ - | \$ 310,342 |
| Premiums, fees and licences | 1,000 | - | 1,000 | - | 1,000 |
| Other revenue | 1,340 | - | 1,340 | - | 1,340 |
| | <u>312,682</u> | <u>-</u> | <u>312,682</u> | <u>-</u> | <u>312,682</u> |
| Expenses | | | | | |
| Assured Income for the Severely Handicapped | 733,614 | 265 | 733,879 | 26,000 | 759,879 |
| Support to Persons with Developmental Disabilities | 597,056 | - | 597,056 | - | 597,056 |
| Alberta Seniors Benefit | 326,364 | - | 326,364 | - | 326,364 |
| Seniors Dental and Optical Assistance | 65,896 | - | 65,896 | - | 65,896 |
| Special Needs Assistance for Seniors | 20,294 | - | 20,294 | - | 20,294 |
| School Property Tax Assistance | 11,000 | - | 11,000 | - | 11,000 |
| Seniors Lodge Assistance | 35,420 | - | 35,420 | - | 35,420 |
| Supportive Living and Long Term Care | 4,463 | 381 | 4,844 | - | 4,844 |
| Alberta Aids to Daily Living Disability and Community Support Programs | 113,323 | - | 113,323 | 5,000 | 118,323 |
| Public Guardian Services | 19,514 | - | 19,514 | - | 19,514 |
| Ministry Support Services | 9,620 | - | 9,620 | - | 9,620 |
| Affordable Supportive Living Initiative | 8,134 | - | 8,134 | - | 8,134 |
| | <u>50,000</u> | <u>55</u> | <u>50,055</u> | <u>39,150</u> | <u>89,205</u> |
| | <u>1,994,698</u> | <u>701</u> | <u>1,995,399</u> | <u>70,150</u> | <u>2,065,549</u> |
| Valuation adjustments | | | | | |
| Provision for doubtful accounts | 100 | - | 100 | - | 100 |
| Provision for vacation pay | 95 | - | 95 | - | 95 |
| | <u>195</u> | <u>-</u> | <u>195</u> | <u>-</u> | <u>195</u> |
| | <u>1,994,893</u> | <u>701</u> | <u>1,995,594</u> | <u>70,150</u> | <u>2,065,744</u> |
| Net operating results | <u>\$(1,682,211)</u> | <u>\$ (701)</u> | <u>\$(1,682,912)</u> | <u>\$ (70,150)</u> | <u>\$(1,753,062)</u> |
| Equipment purchases | <u>\$ 800</u> | <u>\$ -</u> | <u>\$ 800</u> | <u>\$ -</u> | <u>\$ 800</u> |
| Non-budgetary disbursements | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

^(a) Adjustments include Treasury Board approved transfers of:

- \$265 from Ministry of Treasury Board to support planning work and development under the Alberta Supports Initiative reengineering project
- \$381 from Ministry of Infrastructure for Supportive Living Project Grants
- \$55 from Ministry of Infrastructure for Affordable Supportive Living Initiative.

^(b) Supplementary Estimates were approved on March 14, 2011.

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Consolidated Financial Statements

Related Party Transactions

Year ended March 31, 2011

(thousands of dollars)

SCHEDULE 4

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for premiums, licences, and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Consolidated Statement of Operations and Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

| | Other Entities | |
|---|-----------------|-----------------|
| | 2011 | 2010 |
| Expenses – Directly Incurred | | |
| Grants | \$ 4 | \$ 108 |
| Other services | 8,822 | 8,599 |
| | <u>\$ 8,826</u> | <u>\$ 8,707</u> |
| Tangible capital assets transferred out | <u>\$ -</u> | <u>\$ (150)</u> |
| Accounts receivable from other entities | <u>\$ 20</u> | <u>\$ 1,935</u> |
| Accounts payable to other entities | <u>\$ 5,901</u> | <u>\$ 2,343</u> |
| Contractual obligations | <u>\$ 1,316</u> | <u>\$ 1,212</u> |

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Consolidated Financial Statements Related Party Transactions

Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 4 (continued)

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 5.

| | Other Entities | |
|-------------------------------|------------------|------------------|
| | 2011 | 2010 |
| Expenses – Incurred by Others | | |
| Accommodation | \$ 30,665 | \$ 31,943 |
| Legal services | 879 | 643 |
| Other services | 3,689 | 6,035 |
| | <u>\$ 35,233</u> | <u>\$ 38,621</u> |

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Consolidated Financial Statements

Allocated Costs
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 5

| Program | Expenses ⁽¹⁾ | 2011 | | | | | 2010 | |
|--|-------------------------|-------------------------------|----------------|----------------|-----------------------|-------------------|----------------|-------------------------|
| | | Expenses – Incurred by Others | | | Valuation Adjustments | | Total Expenses | Total Expenses (Note 3) |
| | | Accommodation Costs | Legal Services | Other Services | Vacation Pay | Doubtful Accounts | | |
| Assured Income for the Severely Handicapped | \$ 757,594 | \$ 2,468 | \$ 124 | \$ 812 | \$ 129 | \$ - | \$ 761,127 | \$ 720,430 |
| Support to Persons with Developmental Disabilities | 591,636 | 24,637 | 134 | 1,526 | (5) | - | 617,928 | 621,285 |
| Alberta Seniors Benefit | 320,607 | 802 | 139 | 263 | (13) | 147 | 321,945 | 310,876 |
| Seniors Dental and Optical Assistance | 65,764 | 78 | 15 | 29 | - | - | 65,886 | 62,422 |
| Special Needs Assistance for Seniors | 22,980 | 121 | 13 | 25 | (9) | - | 23,130 | 25,771 |
| School Property Tax Assistance | 12,162 | - | - | - | - | - | 12,162 | 11,455 |
| Seniors Lodge Assistance | 33,862 | - | - | - | - | - | 33,862 | 30,983 |
| Supportive Living and Long Term Care | 4,092 | 250 | 29 | 79 | 40 | - | 4,490 | 4,541 |
| Alberta Aids to Daily Living | 117,606 | 419 | 2 | 124 | (4) | - | 118,147 | 110,037 |
| Disability and Community Support Programs | 17,416 | 337 | 82 | 350 | (7) | - | 18,178 | 17,711 |
| Public Guardian Services | 9,656 | 833 | 251 | 222 | 112 | - | 11,074 | 10,293 |
| Ministry Support Services | 9,180 | 720 | 90 | 259 | (43) | - | 10,206 | 9,330 |
| Affordable Supportive Living Initiative | 89,147 | - | - | - | - | - | 89,147 | 50,055 |
| | \$2,051,702 | \$ 30,665 | \$ 879 | \$3,689 | \$ 200 | \$ 147 | \$ 2,087,282 | \$ 1,985,189 |

⁽¹⁾ Expenses – Directly Incurred as per Consolidated Statements of Operations, excluding valuation adjustments.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Financial Statements

March 31, 2011

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Financial Statements

Year ended March 31, 2011

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 Revenues

Schedule 2 Expenses – Directly Incurred Detailed by Object

Schedule 3 Budget

Schedule 4 Comparison of Expenses - Directly Incurred, Equipment Purchases and Capital Investment, Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget

Schedule 5 Salary and Benefits Disclosure

Schedule 6 Related Party Transactions

Schedule 7 Allocated Costs

Independent Auditor's Report

To the Minister of Seniors and Community Supports

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Seniors and Community Supports, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Merwan N. Saher, CA

Auditor General

June 10, 2011

Edmonton, Alberta

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Statement of Operations

Year ended March 31, 2011

(thousands of dollars)

| | 2011 | | 2010 |
|--|----------------|----------------|----------------|
| | Budget | Actual | Actual |
| | (Schedule 3) | | |
| Revenues (Schedule 1) | | | |
| Transfers from the Government of Canada | \$ 310,342 | \$ 311,203 | \$ 302,094 |
| Other revenue | 1,175 | 5,855 | 3,921 |
| | 311,517 | 317,058 | 306,015 |
| Expenses – Directly incurred (Note 2(b) and Schedule 7) | | | |
| Voted (Schedules 2 and 4) | | | |
| Ministry Support Services | 8,134 | 9,180 | 8,158 |
| Seniors Services | 423,554 | 421,513 | 408,751 |
| Disability Supports | 861,602 | 889,035 | 839,299 |
| Community Support Programs and Strategic Planning | 698,925 | 734,267 | 686,984 |
| | 1,992,215 | 2,053,995 | 1,943,192 |
| Statutory (Schedules 2 and 4) | | | |
| Valuation adjustments | | | |
| Provision for doubtful accounts | 100 | 147 | 97 |
| Provision for vacation pay | 95 | 200 | 375 |
| | 195 | 347 | 472 |
| | 1,992,410 | 2,054,342 | 1,943,664 |
| Loss on disposal of tangible capital assets | - | 235 | 26 |
| Net operating results | \$ (1,680,893) | \$ (1,737,519) | \$ (1,637,675) |

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Statement of Financial Position

As at March 31, 2011

(thousands of dollars)

| | 2011 | 2010 |
|---|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 10 | \$ 39 |
| Accounts receivable (Note 3) | 10,808 | 13,519 |
| Tangible capital assets (Note 4) | 7,163 | 7,230 |
| | <u>\$ 17,981</u> | <u>\$ 20,788</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | \$ 203,624 | \$ 195,912 |
| Net Assets | | |
| Net assets (liabilities) at beginning of year | (175,124) | (221,262) |
| Net operating results | (1,737,519) | (1,637,675) |
| Net financing provided from General Revenues | <u>1,727,000</u> | <u>1,683,813</u> |
| Net assets (liabilities) at end of year | <u>(185,643)</u> | <u>(175,124)</u> |
| | <u>\$ 17,981</u> | <u>\$ 20,788</u> |

Contractual obligations and contingent liabilities (Notes 5 and 6)

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Statement of Cash Flows Year ended March 31, 2011 (thousands of dollars)

| | 2011 | 2010 |
|--|----------------|----------------|
| Operating transactions | | |
| Net operating results | \$ (1,737,519) | \$ (1,637,675) |
| Non-cash items included in net operating results | | |
| Amortization | 533 | 516 |
| Loss on disposal of tangible capital assets | 235 | 26 |
| Valuation adjustments | 347 | 472 |
| | (1,736,404) | (1,636,661) |
| Decrease (increase) in accounts receivable before valuation adjustments | 2,564 | (4,265) |
| Increase (decrease) in accounts payable and accrued liabilities before valuation adjustments | 7,512 | (42,907) |
| Cash applied to operating transactions | (1,726,328) | (1,683,833) |
| Capital transactions | | |
| Acquisition of tangible capital assets | (701) | (279) |
| Transfer of tangible capital assets | - | 150 |
| Cash applied to capital transactions | (701) | (129) |
| Financing transactions | | |
| Net financing provided from General Revenues | 1,727,000 | 1,683,813 |
| Decrease in cash and cash equivalents | (29) | (149) |
| Cash and cash equivalents, beginning of year | 39 | 188 |
| Cash and cash equivalents, end of year | \$ 10 | \$ 39 |

The accompanying notes and schedules are part of these financial statements.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Financial Statements

NOTE 1 AUTHORITY AND PURPOSE

The Department of Seniors and Community Supports operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The purpose of the Department is to provide supports, services, programs, information and strategic planning that contribute to the inclusion, well-being and independence of seniors, persons with disabilities, and seniors in need of housing supports.

This is done by:

- Providing targeted financial assistance.
- Planning, providing and coordinating supports and services for living in the community.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Department of Seniors and Community Supports, which is part of the Ministry of Seniors and Community Supports for which the Minister of Seniors and Community Supports is accountable. Other entities reporting to the Minister are the Persons with Developmental Disabilities Community Boards. The activities of these organizations are not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net financing provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met and a reasonable estimate of the amounts can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities or unearned revenue.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

Grants are recognized when authorized and eligibility criteria are met.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs which are the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Incurred by Others

Services contributed by other entities in support of the Department's operations are not recognized and are disclosed in Schedule 6 and allocated to programs in Schedule 7.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets.

The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. Costs associated with business process reengineering and system development costs incurred during the preliminary project stage of an information technology project are expensed. System development costs associated with the application development stage and acquisition of software are capitalized. Capitalization of costs begins after the preliminary project stage and ends when the system application is completed and ready for its intended use.

The threshold for all other tangible capital assets is \$5,000. Donated tangible capital assets are recorded at their fair value at the time of contribution.

Amortization is only charged if the asset is in use.

When tangible capital assets are gifted or sold for a nominal sum, the fair values of these tangible capital assets less any nominal proceeds are recorded as grants in kind.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the carrying value of assets held by the Department and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The nature of uncertainty, for Canada Social Transfers (CST), can arise from changes in the base allocations which are primarily a result of the Province of Alberta's share of the national population and the total CST cash set by federal legislation.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Financial Statements

NOTE 3 ACCOUNTS RECEIVABLE

(thousands of dollars)

| | 2011 | | 2010 | |
|---|------------------|---------------------------------------|----------------------------|----------------------------|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Government of Canada – Indian and Northern Affairs Canada | \$ 10,255 | \$ - | \$ 10,255 | \$ 13,187 |
| Other receivables | 678 | 125 | 553 | 332 |
| | <u>\$ 10,933</u> | <u>\$ 125</u> | <u>\$ 10,808</u> | <u>\$ 13,519</u> |

Accounts receivable are unsecured and non-interest bearing.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Financial Statements

NOTE 4 TANGIBLE CAPITAL ASSETS (thousands of dollars)

| | 2011 | | | | 2010 |
|---|--------------------------|--------------------------------|------------------------|------------------|------------------|
| | Equipment ⁽¹⁾ | Computer hardware and software | Leasehold improvements | Total | Total |
| Estimated useful life | 10 years | 5 years | 10 years | | |
| Historical cost ⁽²⁾ | | | | | |
| Beginning of year | \$ 436 | \$ 11,273 | \$ 195 | \$ 11,904 | \$ 11,801 |
| Additions | 54 | 647 | - | 701 | 279 |
| Transfers | - | - | - | - | (150) |
| Disposal, including write-downs | - | (235) | - | (235) | (26) |
| | <u>\$ 490</u> | <u>\$ 11,685</u> | <u>\$ 195</u> | <u>\$ 12,370</u> | <u>\$ 11,904</u> |
| Accumulated amortization | | | | | |
| Beginning of year | \$ 108 | \$ 4,515 | \$ 51 | \$ 4,674 | \$ 4,158 |
| Amortization expense | 43 | 471 | 19 | 533 | 516 |
| | <u>\$ 151</u> | <u>\$ 4,986</u> | <u>\$ 70</u> | <u>\$ 5,207</u> | <u>\$ 4,674</u> |
| Net book value at March 31, 2011 | <u>\$ 339</u> | <u>\$ 6,699</u> | <u>\$ 125</u> | <u>\$ 7,163</u> | |
| Net book value at March 31, 2010 | <u>\$ 315</u> | <u>\$ 6,767</u> | <u>\$ 148</u> | | <u>\$ 7,230</u> |

⁽¹⁾ Equipment includes office equipment and furniture.

⁽²⁾ Historical cost includes work-in-progress at March 31, 2011 totaling \$6,090 (2010 - \$5,834) comprised of: equipment \$59 (2010 - \$36) computer hardware and software \$6,031 (2010 - \$5,788).

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Financial Statements

NOTE 5 CONTRACTUAL OBLIGATIONS
(thousands of dollars)

Contractual obligations are obligations of the Department to others that will become liabilities in the future when the terms of those contracts or agreements are met.

| | 2011 | 2010 |
|---|-----------|-----------|
| Obligations under operating leases, contracts and programs | \$ 27,032 | \$ 20,858 |

Estimated payment requirements for each of the next five years and thereafter are as follows:

Obligations under Operating Leases, Contracts and Programs

| | Total |
|------------|-----------|
| 2011 -12 | 21,839 |
| 2012 -13 | 4,913 |
| 2013 -14 | 104 |
| 2014 -15 | 91 |
| 2015 -16 | 64 |
| Thereafter | 21 |
| | \$ 27,032 |

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Notes to the Financial Statements

NOTE 6 CONTINGENT LIABILITIES

(thousands of dollars)

The Department has a contingent liability in respect of five claims (2010 – four claims) aggregating \$3,687 (2010 – \$2,587) relating to decisions made by the Eugenics Board of Alberta pursuant to the Sexual Sterilization Act of 1928, which was repealed in 1972. The ultimate outcome of these claims cannot be determined.

At March 31, 2011 the Department is a defendant in six legal claims (2010 – three legal claims). Three of these claims have a specified amounts totalling \$515 and the remaining three have no specified amount (2010 – one claim with a specified amount of \$195 and two with no specified amount). Included in the total legal claims are four claims amounting to \$320 (2010 – two claims with no specified amounts) in which the Department has been jointly named with other entities. One claim with no specified amount (2010 – one claim with no specified amount) is covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

NOTE 7 BENEFIT PLANS

(thousands of dollars)

The Department participates in the multi-employer pension plans: Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$5,885 for the year ended March 31, 2011 (2010 – \$5,046).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of \$397,087 (2009 – deficiency \$483,199) and the Public Service Pension Plan reported a deficiency of \$2,067,151 (2009 – deficiency \$1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,559 (2009 – deficiency \$39,516).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of \$4,141 (2010 – deficiency \$8,335) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$7,020 (2010 – surplus \$7,431). The expense for these two plans is limited to employer's annual contributions for the year.

NOTE 8 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Financial Statements

Revenues

Year ended March 31, 2011

(thousands of dollars)

SCHEDULE 1

| | 2011 | | 2010 |
|--|-------------------|-------------------|-------------------|
| | Budget | Actual | Actual |
| Transfers from the Government of Canada | | | |
| Canada Social Transfers | \$ 293,842 | \$ 291,508 | \$ 284,054 |
| Recoveries from Indian and Northern Affairs Canada | 16,500 | 19,695 | 18,040 |
| | <u>310,342</u> | <u>311,203</u> | <u>302,094</u> |
| Other revenue | | | |
| Refunds of expenses | 1,175 | 5,789 | 3,881 |
| Interest income | - | 41 | 12 |
| Miscellaneous | - | 23 | 23 |
| Premiums, fees and licences | - | 2 | 5 |
| | <u>1,175</u> | <u>5,855</u> | <u>3,921</u> |
| Total revenues | <u>\$ 311,517</u> | <u>\$ 317,058</u> | <u>\$ 306,015</u> |

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Financial Statements Expenses – Directly Incurred Detailed By Object Year ended March 31, 2011 (thousands of dollars)

SCHEDULE 2

| | 2011 | | 2010 |
|---|---------------------|---------------------|---------------------|
| | Budget | Actual | Actual |
| Voted | | | |
| Salaries, wages and employee benefits | \$ 60,034 | \$ 59,859 | \$ 57,436 |
| Supplies and services | 36,976 | 36,368 | 37,901 |
| Supplies and services from support service arrangements with related parties ^(a) | 120 | 873 | 886 |
| Grants | 1,894,470 | 1,956,323 | 1,846,196 |
| Other | 296 | 254 | 257 |
| Amortization of tangible capital assets | 319 | 533 | 516 |
| Total voted expenses before recoveries | 1,992,215 | 2,054,210 | 1,943,192 |
| Less recovery from support services arrangements with related parties ^(b) | - | (215) | - |
| | \$ 1,992,215 | \$ 2,053,995 | \$ 1,943,192 |
| Statutory | | | |
| Valuation adjustments | | | |
| Provision for doubtful accounts | \$ 100 | \$ 147 | \$ 97 |
| Provision for vacation pay | 95 | 200 | 375 |
| | \$ 195 | \$ 347 | \$ 472 |

^(a) The Department receives financial and administrative services from the Ministry of Employment and Immigration.

^(b) The Department provides information technology related services to the Ministry of Culture and Community Spirit and the Ministry of Tourism, Parks and Recreation. The Department also provides program administration services to the Ministry of Children and Youth Services. Costs incurred by the Department for these services are recovered from the relevant Ministries.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Financial Statements Budget

Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 3

| | 2010-11 | | | | |
|--|-----------------------------|---------------------------------|-----------------------------|--|-----------------------------|
| | Estimates | Adjust- ments ^(a) | Budget | Authorized Supplementary ^(b) | Authorized Budget |
| Revenues | | | | | |
| Transfers from the Government of Canada | \$ 310,342 | \$ - | \$ 310,342 | \$ - | \$ 310,342 |
| Other revenue | 1,175 | - | 1,175 | - | 1,175 |
| | <u>311,517</u> | <u>-</u> | <u>311,517</u> | <u>-</u> | <u>311,517</u> |
| Expenses – Directly incurred | | | | | |
| Voted | | | | | |
| Ministry Support Services | 8,134 | - | 8,134 | - | 8,134 |
| Seniors Services | 423,554 | - | 423,554 | - | 423,554 |
| Disability Supports | 861,602 | 265 | 861,867 | 31,000 | 892,867 |
| Community Support Programs and Strategic Planning | 698,925 | 436 | 699,361 | 39,150 | 738,511 |
| | <u>1,992,215</u> | <u>701</u> | <u>1,992,916</u> | <u>70,150</u> | <u>2,063,066</u> |
| Statutory expenses | | | | | |
| Valuation adjustments | | | | | |
| Provision for doubtful accounts | 100 | - | 100 | - | 100 |
| Provision for vacation pay | 95 | - | 95 | - | 95 |
| | <u>195</u> | <u>-</u> | <u>195</u> | <u>-</u> | <u>195</u> |
| | <u>1,992,410</u> | <u>701</u> | <u>1,993,111</u> | <u>70,150</u> | <u>2,063,261</u> |
| Net operating results | <u><u>\$(1,680,893)</u></u> | <u><u>\$ (701)</u></u> | <u><u>\$(1,681,594)</u></u> | <u><u>\$ (70,150)</u></u> | <u><u>\$(1,751,744)</u></u> |
| Equipment purchases | <u><u>\$ 160</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 160</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 160</u></u> |
| Non-budgetary disbursements | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

- (a) Adjustments include Treasury Board approved transfers of:
- \$265 from Ministry of Treasury Board to support planning work and development under the Alberta Supports Initiative reengineering project
 - \$381 from Ministry of Infrastructure for Supportive Living Project Grants
 - \$55 from Ministry of Infrastructure for Affordable Supportive Living Initiative.

- (b) Supplementary Estimates were approved on March 14, 2011.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Financial Statements
Comparison of Expenses – Directly Incurred, Equipment Purchases and Capital Investment, Statutory
Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 4

2010-11

| | Estimates | Adjustments ^(a) | Budget | Authorized Supplementary ^(b) | Authorized Budget | Actual | Unexpended (Over Expended) |
|---|--------------|----------------------------|--------------|--|----------------------|--------------|----------------------------------|
| Voted Expense, Equipment Purchases and Capital Investment | | | | | | | |
| MINISTRY SUPPORT SERVICES | | | | | | | |
| 1.0.1 Minister's Office | \$ 511 | \$ - | \$ 511 | \$ - | \$ 511 | \$ 449 | \$ 62 |
| 1.0.2 Deputy Minister's Office | 618 | - | 618 | - | 618 | 589 | 29 |
| 1.0.3 Communications | 443 | - | 443 | - | 443 | 392 | 51 |
| 1.0.4 Strategic Corporate Services | | | | | | | |
| - Expense | 6,335 | - | 6,335 | - | 6,335 | 7,517 | (1,182) |
| - Equipment purchases | - | - | - | - | - | 398 | (398) |
| 1.0.5 Cabinet Policy Committee on Health | 227 | - | 227 | - | 227 | 233 | (6) |
| | 8,134 | - | 8,134 | - | 8,134 | 9,578 | (1,444) |

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Financial Statements
Comparison of Expenses – Directly Incurred, Equipment Purchases and Capital Investment, Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 4

| 2010-11 | | | | | | | |
|---|----------------|----------------------------|----------------|--|----------------------|----------------|----------------------------------|
| Voted Expense, Equipment Purchases and Capital Investment | | | | | | | |
| | Estimates | Adjustments ^(a) | Budget | Authorized Supplementary ^(b) | Authorized Budget | Actual | Unexpended (Over Expended) |
| SENIORS SERVICES | | | | | | | |
| 2.1 Management and Operations | | | | | | | |
| 2.1.1 Program Support | 930 | - | 930 | - | 930 | 913 | 17 |
| 2.1.2 Alberta Seniors Benefit & School Property Tax Assistance Program Delivery | | | | | | | |
| - Expense | 6,428 | - | 6,428 | - | 6,428 | 7,919 | (1,491) |
| - Equipment purchases | 60 | - | 60 | - | 60 | - | 60 |
| 2.1.3 Client and Information Services | 2,666 | - | 2,666 | - | 2,666 | 2,349 | 317 |
| 2.1.4 Special Needs Assistance Program Delivery | 1,290 | - | 1,290 | - | 1,290 | 1,067 | 223 |
| 2.1.5 Seniors Dental and Optical Assistance Program Delivery | | | | | | | |
| - Expense | 1,396 | - | 1,396 | - | 1,396 | 1,272 | 124 |
| - Equipment purchases | 100 | - | 100 | - | 100 | - | 100 |
| 2.1.6 Seniors Advisory Council | 307 | - | 307 | - | 307 | 270 | 37 |
| 2.2 Income Support for Seniors | | | | | | | |
| 2.2.1 Alberta Seniors Benefit | 316,033 | - | 316,033 | - | 316,033 | 309,156 | 6,877 |
| 2.2.2 School Property Tax Assistance | 11,000 | - | 11,000 | - | 11,000 | 12,162 | (1,162) |
| 2.2.3 Seniors Project Grants | 554 | - | 554 | - | 554 | 738 | (184) |
| 2.2.4 Special Needs Assistance Grants | 18,450 | - | 18,450 | - | 18,450 | 21,175 | (2,725) |
| 2.2.5 Seniors Dental Assistance Program | 57,400 | - | 57,400 | - | 57,400 | 57,501 | (101) |
| 2.2.6 Seniors Optical Assistance Program | 7,100 | - | 7,100 | - | 7,100 | 6,991 | 109 |
| | 423,714 | - | 423,714 | - | 423,714 | 421,513 | 2,201 |

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Financial Statements
Comparison of Expenses – Directly Incurred, Equipment Purchases and Capital Investment, Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 4 (continued)

2010-11

| | Voted Expense, Equipment Purchases and Capital Investment | | | | Unexpended (Over Expended) |
|--|---|----------------------------|----------------|--|----------------------------------|
| | Estimates | Adjustments ^(a) | Budget | Authorized Supplementary ^(b) | |
| DISABILITY SUPPORTS | | | | | |
| 3.1 Management and Operations | | | | | |
| 3.1.1 Program Support | 4,573 | - | 4,573 | - | 5,137 (564) |
| 3.1.2 AISH Program Delivery | 25,338 | 265 | 25,603 | - | 24,154 1,449 |
| - Expense | - | - | - | - | 222 (222) |
| 3.1.3 AISH Health Related Assistance | 3,600 | - | 3,600 | - | 5,301 (1,701) |
| 3.1.4 Alberta Aids to Daily Living Program | 5,273 | - | 5,273 | - | 5,386 (113) |
| 3.1.5 Brain Injury Initiative and Other | 13,839 | - | 13,839 | - | 13,149 690 |
| 3.1.6 Premier's Council on the Status of Persons with Disabilities | 826 | - | 826 | - | 686 140 |
| 3.2 Assured Income for the Severely Handicapped | | | | | |
| 3.2.1 Financial Assistance | 537,655 | - | 537,655 | 5,000 | 538,789 3,866 |
| 3.2.2 Health Related Assistance | 162,448 | - | 162,448 | 21,000 | 184,213 (765) |
| 3.3 Alberta Aids to Daily Living | | | | | |
| 3.3.1 Alberta Aids to Daily Living Grants | 108,050 | - | 108,050 | 5,000 | 112,220 830 |
| | 861,602 | 265 | 861,867 | 31,000 | 889,257 3,610 |

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Financial Statements
Comparison of Expenses – Directly Incurred, Equipment Purchases and Capital Investment, Statutory
Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 4 (continued)

| 2010-11 | | | | | | |
|---|-----------|----------------------------|--------|--|----------------------|----------------------------------|
| Voted Expense, Equipment Purchases and Capital Investment | | | | | | |
| | Estimates | Adjustments ^(a) | Budget | Authorized Supplementary ^(b) | Authorized Budget | Actual |
| | | | | | | Unexpended (Over Expended) |
| COMMUNITY SUPPORT PROGRAMS AND STRATEGIC PLANNING | | | | | | |
| 4.1 Management and Operations | | | | | | |
| 4.1.1 Program Support | 786 | - | 786 | - | 786 | 671 |
| 4.1.2 Planning and Research | 1,043 | - | 1,043 | - | 1,043 | 1,006 |
| 4.1.3 Public Guardian Services | | | | | | |
| - Expense | 9,620 | - | 9,620 | - | 9,620 | 9,656 |
| - Equipment purchases | - | - | - | - | - | 50 |
| 4.1.4 Protection for Persons in Care | 3,020 | - | 3,020 | - | 3,020 | 1,904 |
| 4.1.5 Supportive Living and Long Term Care | 4,160 | - | 4,160 | - | 4,160 | 3,404 |
| 4.1.6 Persons with Developmental Disabilities Program | | | | | | |
| - Expense | 6,369 | - | 6,369 | - | 6,369 | 5,725 |
| - Equipment purchases | - | - | - | - | - | 31 |
| 4.2 Supportive Living Grants | | | | | | |
| 4.2.1 Supportive Living Project Grants | 303 | 381 | 684 | - | 684 | 688 |
| 4.2.2 Seniors Lodge Assistance | 35,420 | - | 35,420 | - | 35,420 | 33,862 |
| 4.2.3 Affordable Supportive Living Initiative | 50,000 | 55 | 50,055 | 39,150 | 89,205 | 89,147 |
| | | | | | | 58 |

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Financial Statements
Comparison of Expenses – Directly Incurred, Equipment Purchases and Capital Investment, Statutory Expenses, and Non-Budgetary Disbursements by Element to Authorized Budget
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 4 (continued)

2010-11

| | Estimates | Adjustments ^(a) | Budget | Authorized Supplementary ^(b) | Authorized Budget | Actual | Unexpended (Over Expended) |
|---|----------------|----------------------------|----------------|--|----------------------|----------------|----------------------------------|
| Voted Expense, Equipment Purchases and Capital Investment | | | | | | | |
| 4.3 Financial Assistance to Persons With Developmental Disabilities Boards | | | | | | | |
| 4.3.1 Financial Assistance to Persons with Developmental Disabilities Boards | 588,204 | - | 588,204 | - | 588,204 | 588,204 | - |
| | 698,925 | 436 | 699,361 | 39,150 | 738,511 | 734,348 | 4,163 |
| Total Voted Expenses | \$ 1,992,375 | \$ 701 | \$ 1,993,076 | \$ 70,150 | \$ 2,063,226 | \$ 2,054,696 | \$ 8,530 |
| Expense | \$ 1,992,215 | \$ 701 | \$ 1,992,916 | \$ 70,150 | \$ 2,063,066 | \$ 2,053,995 | \$ 9,071 |
| Equipment purchases | 160 | - | 160 | - | 160 | 701 | (541) |
| Statutory Expenses | \$ 1,992,375 | \$ 701 | \$ 1,993,076 | \$ 70,150 | \$ 2,063,226 | \$ 2,054,696 | \$ 8,530 |
| Valuation Adjustments and Other | | | | | | | |
| Provisions | \$ 195 | \$ - | \$ 195 | \$ - | \$ 195 | \$ 347 | \$ (152) |
| Non-Budgetary Disbursements | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

(a) Adjustments include Treasury Board approved transfers of:

-\$265 from Ministry of Treasury Board to support planning work and development under the Alberta Supports Initiative reengineering project

- \$381 from Ministry of Infrastructure for Supportive Living Project Grants

- \$55 from Ministry of Infrastructure for Affordable Supportive Living Initiative.

(b) Supplementary Estimates were approved on March 14, 2011.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Financial Statements Salary and Benefits Disclosure

Year ended March 31, 2011

(in dollars)

SCHEDULE 5

| | 2011 | | | | 2010 |
|---|-------------------------------|--|--|------------|------------|
| | Base Salary ⁽¹⁾ | Other Cash Benefits ⁽²⁾ | Other Non-cash Benefits ⁽³⁾ | Total | Total |
| Deputy Minister ⁽⁴⁾ | \$ 264,576 | \$ 1,750 | \$ 64,232 | \$ 330,558 | \$ 386,930 |
| Executives | | | | | |
| Assistant Deputy Minister, Seniors Services | 185,472 | 1,750 | 45,348 | 232,570 | 243,736 |
| Assistant Deputy Minister, Disability Supports | 161,516 | 1,750 | 38,402 | 201,668 | 198,577 |
| Assistant Deputy Minister, Community Support Programs and Strategic Planning | 185,472 | 1,750 | 9,303 | 196,525 | 194,491 |
| Assistant Deputy Minister, Alberta Supports Initiative ⁽⁵⁾ | 180,931 | 2,000 | 44,205 | 227,136 | 192,383 |

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2011.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plan, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other non-cash benefits.

(5) The position was occupied by three individuals during the year.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Financial Statements

Related Party Transactions

Year ended March 31, 2011

(thousands of dollars)

SCHEDULE 6

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Department and its employees paid or collected certain taxes and fees set by regulation for premiums, licences, and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Department had the following transactions with related parties recorded on the Statement of Operations and Statement of Financial Position at the amount of consideration agreed upon between the related parties:

| | Entities in the Ministry | | Other Entities | |
|---|--------------------------|-------------------|-----------------|-----------------|
| | 2011 | 2010 | 2011 | 2010 |
| Expenses – Directly Incurred | | | | |
| Grants | \$ 588,204 | \$ 583,183 | \$ - | \$ - |
| Other services | - | - | 2,176 | 2,334 |
| | <u>\$ 588,204</u> | <u>\$ 583,183</u> | <u>\$ 2,176</u> | <u>\$ 2,334</u> |
| Tangible capital assets transferred out | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (150)</u> |
| Accounts receivable | <u>\$ 60</u> | <u>\$ -</u> | <u>\$ 5</u> | <u>\$ -</u> |
| Accounts payable | <u>\$ 6</u> | <u>\$ 7</u> | <u>\$ 82</u> | <u>\$ 142</u> |
| Contractual obligations | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 494</u> | <u>\$ 535</u> |

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Schedule to Financial Statements

Related Party Transactions

Year ended March 31, 2011

(thousands of dollars)

SCHEDULE 6 (continued)

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 7.

| | Entities in the Ministry | | Other Entities | |
|-------------------------------|--------------------------|-------------|-----------------|------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Expenses – Incurred by Others | | | | |
| Accommodation | \$ - | \$ - | \$ 6,278 | \$ 6,593 |
| Legal services | - | - | 776 | 503 |
| Other services | - | - | 2,699 | 3,775 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,753</u> | <u>\$ 10,871</u> |

DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

Schedules to Financial Statements

Allocated Costs

Year ended March 31, 2011

(thousands of dollars)

SCHEDULE 7

| Program | 2011 | | | | | | 2010 | |
|---|-------------------------------|---------------------|----------------|-----------------------|---------------|-------------------|---------------------|---------------------|
| | Expenses – Incurred by others | | | Valuation Adjustments | | | Total Expenses | Total Expenses |
| | Expenses ⁽¹⁾ | Accommodation Costs | Legal Services | Other Services | Vacation Pay | Doubtful Accounts | | |
| Ministry Support Services | \$ 9,180 | \$ 720 | \$ 90 | \$ 259 | \$ (43) | \$ - | \$ 10,206 | \$ 9,330 |
| Seniors Services | 421,513 | 1,001 | 167 | 317 | (22) | 147 | 423,123 | 410,524 |
| Disability Supports | 889,035 | 2,982 | 167 | 1,204 | 106 | - | 893,494 | 844,149 |
| Community Support Programs and Strategic Planning | 734,267 | 1,575 | 352 | 919 | 159 | - | 737,272 | 690,532 |
| | <u>\$ 2,053,995</u> | <u>\$ 6,278</u> | <u>\$ 776</u> | <u>\$ 2,699</u> | <u>\$ 200</u> | <u>\$ 147</u> | <u>\$ 2,064,095</u> | <u>\$ 1,954,535</u> |

⁽¹⁾ Expenses – Directly Incurred as per Statements of Operations, excluding valuation adjustments.

**PERSONS WITH DEVELOPMENTAL DISABILITIES
CALGARY REGION COMMUNITY BOARD**

Financial Statements

March 31, 2011

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Financial Statements

Year ended March 31, 2011

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 Expenses – Directly Incurred Detailed by Object

Schedule 2 Budget

Schedule 3 Salary and Benefits Disclosure

Schedule 4 Related Party Transactions

Schedule 5 Allocated Costs



Independent Auditor's Report

To the Members of the Board of the Persons with Developmental Disabilities Calgary Region Community Board and the Minister of Seniors and Community Supports

Report on the Financial Statements

I have audited the accompanying financial statements of the Persons with Developmental Disabilities Calgary Region Community Board, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Calgary Region Community Board as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Merwan N. Saher, CA

Auditor General

June 7, 2011

Edmonton, Alberta

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Statement of Operations Year ended March 31, 2011 (thousands of dollars)

| | 2011 | | 2010 |
|---|----------------|---------------|-------------------|
| | Budget | Actual | Actual |
| | (Schedule 2) | | |
| Revenues | | | |
| Transfer from Department of Seniors and Community Supports | \$ 154,810 | \$ 155,448 | \$ 152,604 |
| Previous year's refund of expenditures | - | 78 | 212 |
| | 154,810 | 155,526 | 152,816 |
| Expenses – Directly Incurred (Note 2(b), Schedules 1 and 5) | | | |
| Programs | | | |
| Community Living Supports | 73,234 | 72,741 | 72,956 |
| Employment Supports | 7,474 | 5,470 | 6,024 |
| Community Access Supports | 33,474 | 31,551 | 31,233 |
| Specialized Community Supports | 2,238 | 4,057 | 2,400 |
| Direct Operations | 1,105 | 686 | 732 |
| Supports to Delivery Systems | 37,098 | 40,765 | 41,114 |
| Board Governance | 175 | 95 | 118 |
| | 154,798 | 155,365 | 154,577 |
| Valuation adjustments (Schedule 1) | | | |
| Provision for vacation pay | 84 | (112) | 48 |
| | 154,882 | 155,253 | 154,625 |
| Net operating results | \$ (72) | \$ 273 | \$ (1,809) |

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Statement of Financial Position

As at March 31, 2011

(thousands of dollars)

| | 2011 | 2010 |
|---|-----------------|-----------------|
| Assets | | |
| Cash and cash equivalents | \$ 5,946 | \$ 1,628 |
| Accounts receivable (Note 3) | 797 | 2,019 |
| Tangible capital assets (Note 4) | 9 | 11 |
| | <u>\$ 6,752</u> | <u>\$ 3,658</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 5) | <u>\$ 5,700</u> | <u>\$ 2,879</u> |
| Net assets | | |
| Net assets at beginning of year | 779 | 2,588 |
| Net operating results | <u>273</u> | <u>(1,809)</u> |
| Net assets at end of year | <u>1,052</u> | <u>779</u> |
| | <u>\$ 6,752</u> | <u>\$ 3,658</u> |

Contractual obligations and contingent liabilities (Notes 7 and 8)

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Statement of Cash Flows

Year ended March 31, 2011

(thousands of dollars)

| | 2011 | 2010 |
|---|----------|------------|
| Operating transactions | | |
| Net operating results | \$ 273 | \$ (1,809) |
| Non-cash items included in net operating results | | |
| Valuation adjustments | (112) | 48 |
| Amortization | 2 | 2 |
| | 163 | (1,759) |
| Decrease (increase) in accounts receivable | 1,222 | (1,801) |
| Increase (decrease) in accounts payable and accrued liabilities before valuation adjustments | 2,933 | (2,438) |
| Cash applied to operating transactions | 4,318 | (5,998) |
| Cash and cash equivalents, beginning of year | 1,628 | 7,626 |
| Cash and cash equivalents, end of year | \$ 5,946 | \$ 1,628 |

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Notes to Financial Statements

NOTE 1 AUTHORITY AND PURPOSE

The Persons with Developmental Disabilities Calgary Region Community Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Board is responsible for developing, implementing, and evaluating plans for the provision of services for adults with developmental disabilities within the region.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Seniors and Community Supports (the Ministry), and for which the Minister of Seniors and Community Supports (the Minister) is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Notes to Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Expenses

Directly Incurred

Directly incurred expenses are those costs the Board has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as supplies and services, directly incurred expenses also include:

- amortization of tangible capital assets.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.
- costs of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Seniors and Community Supports. The cost of their salaries, wages and benefits is included in manpower expense.
- pension costs, which are the cost of employer contributions for current service of employees during the year.

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met.

Description of Program Expenses Reported on the Statement of Operations

Community Living Supports – expenses incurred to assist adults with developmental disabilities to live in their home.

Employment Supports – expenses incurred to assist adults with developmental disabilities in gaining and maintaining employment.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Notes to Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Community Access Supports – expenses incurred to assist adults with developmental disabilities to participate in community activities and personal development activities.

Specialized Community Supports – expenses incurred to provide other unique supports that are needed to assist adults with developmental disabilities in their environment or to enhance their access to the community.

Direct Operations – other expenses incurred to operate the following facilities:

- Bow Park Court
- Scenic Bow Legion Group Homes
- Parkmont Achievement Center

Supports to Delivery Systems – expenses incurred to provide administrative and financial support for program delivery.

Board Governance – expenses incurred in support of Board related activities.

Incurred by Others

Services contributed by other entities in support of Board operations are not recognized and are disclosed in Schedule 4 and allocated to programs in Schedule 5.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Board include cash and financial claims, such as receivables from other organizations.

Tangible capital assets of the Board are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged if the asset is in use.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Notes to Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the carrying value of assets held by the Board and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

NOTE 3 ACCOUNTS RECEIVABLE (thousands of dollars)

| | 2011 | | | 2010 |
|-------------------|---------------|---------------------------------|----------------------|----------------------|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Service providers | \$ 770 | \$ - | \$ 770 | \$ 1,774 |
| Government | 26 | - | 26 | 243 |
| Other | 1 | - | 1 | 2 |
| | <u>\$ 797</u> | <u>\$ -</u> | <u>\$ 797</u> | <u>\$ 2,019</u> |

Accounts receivable are unsecured and non-interest bearing.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Notes to Financial Statements

NOTE 4 TANGIBLE CAPITAL ASSETS (thousands of dollars)

| | 2011 | | | | 2010 |
|---|----------|--------------------------|--------------------------|--------|--------|
| | Vehicles | Equipment ^(a) | Equipment ^(b) | Total | Total |
| Estimated useful life | 3 years | 10 years | 15 years | | |
| Historical cost | | | | | |
| Beginning of year | \$ 348 | \$ 10 | \$ 13 | \$ 371 | \$ 371 |
| Accumulated amortization | | | | | |
| Beginning of year | \$ 348 | \$ 6 | \$ 6 | \$ 360 | \$ 358 |
| Amortization expense | - | 1 | 1 | 2 | 2 |
| | \$ 348 | \$ 7 | \$ 7 | \$ 362 | \$ 360 |
| Net book value at March 31, 2011 | \$ - | \$ 3 | \$ 6 | \$ 9 | |
| Net book value at March 31, 2010 | \$ - | \$ 4 | \$ 7 | | \$ 11 |

^(a) includes communication equipment.

^(b) includes bathing equipment.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Notes to Financial Statements

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(thousands of dollars)

| | 2011 | 2010 |
|--|-----------------|-----------------|
| Accrued grants | \$ 2,603 | \$ - |
| Employees' accrued vacation pay and manpower costs | 1,907 | 1,763 |
| Accrued supplies and services | 1,190 | 1,116 |
| | <u>\$ 5,700</u> | <u>\$ 2,879</u> |

NOTE 6 VOLUNTARY CONTRIBUTIONS

These financial statements do not include amounts relating to voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 7 CONTRACTUAL OBLIGATIONS
(thousands of dollars)

The Board contracts with service operators to provide services to adults with developmental disabilities in the region. The Board will contract for services for the year ending March 31, 2012 in a similar manner as the year ended March 31, 2011. As at March 31, 2011, contractual commitments have been signed with service operators in the amount of \$142,730 for the year ended March 31, 2012 (\$100,169 for the year ended March 31, 2011).

NOTE 8 CONTINGENT LIABILITIES
(thousands of dollars)

At March 31, 2011 the Board is a defendant in two legal claims (2010 – two legal claims) in which it has been jointly named with other entities. One of these claims has a specified amount of \$100 (2010 – one claim with a specified amount of \$200); another claim has no specified amount (2010 – one claim). The resulting loss, if any, from these claims cannot be determined. Both claims are covered by the Alberta Risk Management Fund.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Notes to Financial Statements

NOTE 9 TRUST FUNDS UNDER ADMINISTRATION

(thousands of dollars)

The Board administers trust funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Board's financial statements.

At March 31, 2011 trust funds under administration were as follows:

| | 2011 | 2010 |
|--------------------|-------|-------|
| Client trust funds | \$ 64 | \$ 84 |

NOTE 10 BENEFIT PLANS

(thousands of dollars)

The Board participates in the multi-employer pension plans: Management Employees Pension Plan and Public Service Pension Plan. The Board also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$1,103 for the year ended March 31, 2011 (2010 – \$967).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of \$397,087 (2009 – deficiency of \$483,199) and the Public Service Pension Plan reported a deficiency of \$2,067,151 (2009 – deficiency of \$1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,559 (2009 – deficiency of \$39,516).

The Board also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of \$4,141 (2010 – deficiency \$8,335) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$7,020 (2010 – surplus \$7,431). The expense for these two plans is limited to the employer's annual contributions for the year.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Notes to Financial Statements

NOTE 11 GRANDFATHERED CLIENTS (thousands of dollars)

When the *Persons with Developmental Disabilities Community Governance Act* (the *Act*) was passed by the Alberta Legislature in 1997, the new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria.

Certain individuals and agencies were receiving services prior to the passing of the *Act* but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* report, Government directed that PDD Boards continue providing services to these individuals and agencies until service responsibility is handed-off to a more appropriate provincial program. Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the *Act*.

There are currently 21 grandfathered individuals and one grandfathered agency in the Calgary Region. The total cost of services to 21 grandfathered individuals that has been included in the Statement of Operations is estimated to be \$609 (2010 – 21 individuals totalling \$615). The total cost of the grandfathered agency, which provides services to an additional 11 individuals, that has been included in the Statement of Operations is estimated to be \$1,092 (2010 – one grandfathered agency serving 11 individuals totalling \$1,066).

NOTE 12 COMPARATIVE FIGURES

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

NOTE 13 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were prepared by management and approved by the Board.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Schedule to Financial Statements
Expenses – Directly Incurred Detailed By Object
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 1

| | 2011 | | 2010 |
|--|-------------------|-------------------|-------------------|
| | Budget | Actual | Actual |
| Manpower | \$ 15,269 | \$ 11,910 | \$ 12,202 |
| Supplies and services | 139,156 | 140,369 | 138,320 |
| Grants | 250 | 3,254 | 4,410 |
| Amortization of tangible capital assets | 123 | 2 | 2 |
| | 154,798 | 155,535 | 154,934 |
| Valuation adjustments | | | |
| Provision for vacation pay | 84 | (112) | 48 |
| Total expenses before recoveries | 154,882 | 155,423 | 154,982 |
| Less recovery from support service arrangement with related parties ^(a) | - | (170) | (357) |
| | <u>\$ 154,882</u> | <u>\$ 155,253</u> | <u>\$ 154,625</u> |

^(a) The Board provides specialized program supports to children who are the responsibility of Calgary and Area Child and Family Services Authority. Costs incurred for these activities are recovered from the Calgary and Area Child and Family Services Authority.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Schedule to Financial Statements
Budget
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 2

| | 2010-11 | | |
|---|------------|----------------------------|--------------|
| | Budget | Adjustments ^(a) | Final Budget |
| Revenue | | | |
| Transfer from Department of Seniors and Community Supports | \$ 154,810 | \$ 638 | \$ 155,448 |
| Expenses – Directly Incurred | | | |
| Community Living Supports | 73,234 | 421 | 73,655 |
| Employment Supports | 7,474 | 32 | 7,506 |
| Community Access Supports | 33,474 | 185 | 33,659 |
| Specialized Community Supports | 2,238 | - | 2,238 |
| Direct Operations | 1,105 | - | 1,105 |
| Supports to Delivery Systems | 37,098 | - | 37,098 |
| Board Governance | 175 | - | 175 |
| | 154,798 | 638 | 155,436 |
| Valuation adjustments | | | |
| Provision for vacation pay | 84 | - | 84 |
| Net operating results | \$ (72) | \$ - | \$ (72) |
| Equipment purchases | \$ 135 | \$ - | \$ 135 |

^(a) Reallocation of funding from Department of Seniors and Community Supports. Approved by the Deputy Minister in March 2011.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Schedule to Financial Statements Salary and Benefits Disclosure Year ended March 31, 2011 (in dollars)

SCHEDULE 3

| | 2011 | | | | 2010 |
|--|-------------------------------|--|--|-----------|-----------|
| | Base Salary ^(a) | Other Cash Benefits ^(b) | Other Non-cash Benefits ^(c) | Total | Total |
| Chair of the Board ^(d) | \$ - | \$ 18,383 | \$ - | \$ 18,383 | \$ 21,716 |
| Board Members ^(e) | - | 60,799 | - | 60,799 | 69,857 |
| Chief Executive Officer ^(f) | 151,836 | 1,750 | 36,648 | 190,234 | 187,927 |
| Executive Director, Graduated Supports ^{(f) (g)} | 111,114 | 13,603 | 27,328 | 152,045 | 141,467 |
| Senior Manager, Finance and Resource Allocation ^(f) | 109,020 | 1,750 | 27,394 | 138,164 | 133,677 |
| Senior Manager, Strategic Planning and Development ^(f) | 109,452 | 1,750 | 26,302 | 137,504 | 135,222 |
| Manager, Community Supports ^(f) | 99,168 | 1,750 | 25,383 | 126,301 | 123,977 |

Prepared in accordance with Treasury Board Directive 12/98 as amended.

^(a) Base Salary includes pensionable base pay.

^(b) Other cash benefits include vacation payouts, lump sum payments and honoraria. There were no bonuses paid in 2011.

^(c) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

^(d) These amounts represent honoraria payments made to the Chair of the Board.

^(e) There are 8 board member positions. These amounts represent honoraria payments made to the board members during the year.

^(f) Executives and managers are assigned to the Board from the Department of Seniors and Community Supports and are not employees of the Board.

^(g) Position was occupied by two individuals during the year.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Schedule to Financial Statements
Related Party Transactions
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 4

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board.

The Board and the employees seconded to it from the Department of Seniors and Community Supports paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Board had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

| | Entities in the Ministry | | Other Entities | |
|---|--------------------------|------------|----------------|--------|
| | 2011 | 2010 | 2011 | 2010 |
| Revenues | | | | |
| Department of Seniors and Community Supports | \$ 155,448 | \$ 152,604 | \$ - | \$ - |
| Expenses – Directly Incurred | | | | |
| Department of Advanced Education and Technology | \$ - | \$ - | \$ 150 | \$ 153 |
| Department of Health and Wellness | - | - | 1 | 1 |
| Service Alberta | - | - | 17 | 18 |
| | \$ - | \$ - | \$ 168 | \$ 172 |
| Accounts payable | \$ 16 | \$ - | \$ 30 | \$ 34 |
| Accounts receivable | \$ 15 | \$ 18 | \$ 11 | \$ 225 |
| Contractual obligations | \$ - | \$ - | \$ 33 | \$ 34 |

The above transactions do not include support service arrangement transactions disclosed in Schedule 1.

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Schedule to Financial Statements Related Party Transactions

Year ended March 31, 2011

(thousands of dollars)

SCHEDULE 4 (continued)

The Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 5.

| | Entities in the Ministry | | Other Entities | |
|--|--------------------------|-------------|-----------------|-----------------|
| | 2011 | 2010 | 2011 | 2010 |
| Expenses – Incurred by Others | | | | |
| Department of Infrastructure | \$ - | \$ - | \$ 3,754 | \$ 3,833 |
| Department of Justice and Attorney General | - | - | 15 | 21 |
| Service Alberta | - | - | 256 | 584 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,025</u> | <u>\$ 4,438</u> |

PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

Schedule to Financial Statements

Allocated Costs

Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 5

| | 2011 | | | | | 2010 | |
|--------------------------------|-------------------------|-------------------------------|----------------|----------------|-----------------------|----------------|----------------|
| Program | Expenses ^(a) | Expenses – Incurred by Others | | | Valuation Adjustments | | Total Expenses |
| | | Accommodation Costs | Legal Services | Other Services | Vacation Pay | Total Expenses | |
| Community Living Supports | \$ 72,741 | \$ 2,677 | \$ - | \$ - | - | \$ 75,418 | \$ 75,689 |
| Employment Supports | 5,470 | - | - | - | - | 5,470 | 6,024 |
| Community Access Supports | 31,551 | 443 | - | - | - | 31,994 | 31,685 |
| Specialized Community Supports | 4,057 | - | - | - | - | 4,057 | 2,400 |
| Direct Operations | 686 | - | - | - | - | 686 | 732 |
| Supports to Delivery Systems | 40,765 | 634 | 15 | 256 | (112) | 41,558 | 42,415 |
| Board Governance | 95 | - | - | - | - | 95 | 118 |
| | \$ 155,365 | \$ 3,754 | \$ 15 | \$ 256 | \$ (112) | \$ 159,278 | \$ 159,063 |

^(a) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

**PERSONS WITH DEVELOPMENTAL DISABILITIES
CENTRAL REGION COMMUNITY BOARD**

Financial Statements

March 31, 2011

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Financial Statements

Year ended March 31, 2011

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 Expenses – Directly Incurred Detailed by Object

Schedule 2 Budget

Schedule 3 Salary and Benefits Disclosure

Schedule 4 Related Party Transactions

Schedule 5 Allocated Costs

Independent Auditor's Report

To the Members of the Board of the Persons with Developmental Disabilities
Central Region Community Board and the Minister of Seniors and Community Supports

Report on the Financial Statements

I have audited the accompanying financial statements of the Persons with Developmental Disabilities Central Region Community Board as at March 31, 2011, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Central Region Community Board as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Merwan N. Saher, CA
Auditor General

June 3, 2011

Edmonton, Alberta

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Statement of Operations Year ended March 31, 2011 (thousands of dollars)

| | 2011 | | 2010 |
|--|--------------|------------|------------|
| | Budget | Actual | Actual |
| | (Schedule 2) | | |
| Revenues | | | |
| Transfer from Department of Seniors and Community Supports | \$ 139,496 | \$ 138,269 | \$ 140,048 |
| Previous year's refund of expenditures | - | 90 | 288 |
| Fee revenue | 900 | 949 | 944 |
| Program fund revenue | 165 | 164 | 176 |
| Other revenue | - | - | 14 |
| | 140,561 | 139,472 | 141,470 |
| Expenses – Directly Incurred (Note 2(b), Schedules 1 and 5) | | | |
| Programs | | | |
| Community Living Supports | 83,556 | 85,674 | 85,389 |
| Employment Supports | 3,583 | 3,445 | 3,722 |
| Community Access Supports | 15,143 | 14,421 | 14,863 |
| Specialized Community Supports | 2,534 | 1,531 | 1,721 |
| Direct Operations | 13,322 | 10,543 | 10,752 |
| Supports to Delivery Systems | 22,973 | 23,958 | 23,745 |
| Board Governance | 157 | 98 | 145 |
| Program Fund | 165 | 181 | 223 |
| | 141,433 | 139,851 | 140,560 |
| Valuation adjustments (Schedule 1) | | | |
| Provision for vacation pay | 266 | 257 | (430) |
| Gain on disposal of tangible capital assets | - | (18) | (1) |
| | 141,699 | 140,090 | 140,129 |
| Net operating results | \$ (1,138) | \$ (618) | \$ 1,341 |

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Statement of Financial Position As at March 31, 2011 (thousands of dollars)

| | 2011 | 2010 |
|---|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 10,360 | \$ 5,849 |
| Accounts receivable (Note 3) | 4,891 | 6,478 |
| Inventory | 401 | 414 |
| Tangible capital assets (Note 4) | 1,664 | 1,552 |
| | <u>\$ 17,316</u> | <u>\$ 14,293</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 5) | \$ 14,285 | \$ 10,644 |
| Net assets | | |
| Net assets at beginning of year | 3,649 | 2,308 |
| Net operating results | (618) | 1,341 |
| | <u>3,031</u> | <u>3,649</u> |
| Net assets at end of year | <u>\$ 17,316</u> | <u>\$ 14,293</u> |
| Contractual obligations (Note 7) | | |

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Statement of Cash Flows Year ended March 31, 2011 (thousands of dollars)

| | 2011 | 2010 |
|---|-----------|----------|
| Operating transactions | | |
| Net operating results | \$ (618) | \$ 1,341 |
| Non-cash items included in net operating results | | |
| Valuation adjustments | 257 | (430) |
| Amortization | 346 | 301 |
| Gain on disposal of tangible capital assets | (18) | (1) |
| | (33) | 1,211 |
| Decrease (increase) in accounts receivable | 1,587 | (5,514) |
| Decrease (increase) in inventory | 13 | (27) |
| Increase in accounts payable and accrued liabilities before valuation adjustments | 3,384 | 1,986 |
| | 4,951 | (2,344) |
| Cash provided by (applied to) operating transactions | | |
| Capital transactions | | |
| Acquisition of tangible capital assets | (458) | (407) |
| Proceeds on disposal/sale of tangible capital assets | 18 | 9 |
| | (440) | (398) |
| Cash applied to capital transactions | | |
| Increase (decrease) in cash and cash equivalents | 4,511 | (2,742) |
| Cash and cash equivalents, beginning of year | 5,849 | 8,591 |
| Cash and cash equivalents, end of year | \$ 10,360 | \$ 5,849 |

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 1 AUTHORITY AND PURPOSE

The Persons with Developmental Disabilities Central Region Community Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Board is responsible for developing, implementing, and evaluating plans for the provision of services for adults with developmental disabilities within the region.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Seniors and Community Supports (the Ministry), and for which the Minister of Seniors and Community Supports (the Minister) is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Expenses

Directly Incurred

Directly incurred expenses are those costs the Board has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as supplies and services, directly incurred expenses also include:

- amortization of tangible capital assets.
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.
- costs of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Seniors and Community Supports. The cost of their salaries, wages and benefits is included in manpower expense.
- pension costs, which are the cost of employer contributions for current service of employees during the year.

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met.

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Description of Revenues and Expenses Reported on the Statement of Operations

Fee Revenue – Michener Centre and Youngstown Home collect accommodation fees from certain residents in accordance with the Social Care Facilities Rates Order. In addition, Michener Centre receives accommodation fees for other residents, through contracts with the Nunavut and Northwest Territories governments.

Program Fund Revenue and Expenses – The Board administers funds that are designated by the Minister of Finance as regulated. Revenues are generated from and expenses are incurred for the sale of goods and the provision of dental services to external users. The funds are used to provide recreational, social and dental services to persons with developmental disabilities.

Community Living Supports – expenses incurred to assist adults with developmental disabilities to live in their home.

Employment Supports – expenses incurred to assist adults with developmental disabilities in gaining and maintaining employment.

Community Access Supports – expenses incurred to assist adults with developmental disabilities to participate in community activities and personal development activities.

Specialized Community Supports – expenses incurred to provide other unique supports that are needed to assist adults with developmental disabilities in their environment or to enhance their access to the community.

Direct Operations – other expenses incurred to operate the following facilities:

- Michener Centre, Red Deer, Alberta
- Youngstown Home, Youngstown, Alberta

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Description of Revenues and Expenses Reported on the Statement of Operations (continued)

Supports to Delivery Systems – expenses incurred to provide administrative and financial support for program delivery.

Board Governance – expenses incurred in support of Board related activities.

Incurred by Others

Services contributed by other entities in support of Board operations are not recognized and are disclosed in Schedule 4 and allocated to programs in Schedule 5.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Board include cash and financial claims, such as receivables from other organizations.

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the average cost method.

Tangible capital assets of the Board are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged if the asset is in use.

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in a sacrifice of economic benefits in the future.

Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the carrying value of assets held by the Board and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 3 ACCOUNTS RECEIVABLE (thousands of dollars)

| | 2011 | | | 2010 |
|-------------------|-----------------|---------------------------------------|----------------------------|----------------------------|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Service providers | \$ 4,738 | \$ - | \$ 4,738 | \$ 4,690 |
| Trades receivable | 151 | - | 151 | 1,786 |
| Other | 2 | - | 2 | 2 |
| | <u>\$ 4,891</u> | <u>\$ -</u> | <u>\$ 4,891</u> | <u>\$ 6,478</u> |

Accounts receivable are unsecured and non-interest bearing.

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 4 TANGIBLE CAPITAL ASSETS (thousands of dollars)

| | 2011 | | | | 2010 |
|---|------------------------|--------------------------|--------------------|-----------------|-----------------|
| | Leasehold improvements | Equipment ^(a) | Computer equipment | Total | Total |
| Estimated useful life | 5-10 years | 5-10 years | 5 years | | |
| Historical cost | | | | | |
| Beginning of year | \$ 799 | \$ 3,673 | \$ 411 | \$ 4,883 | \$ 4,897 |
| Additions | 285 | 167 | 6 | 458 | 407 |
| Disposal, including write-downs | - | (259) | (8) | (267) | (421) |
| | <u>\$ 1,084</u> | <u>\$ 3,581</u> | <u>\$ 409</u> | <u>\$ 5,074</u> | <u>\$ 4,883</u> |
| Accumulated amortization | | | | | |
| Beginning of year | \$ 148 | \$ 2,775 | \$ 408 | \$ 3,331 | \$ 3,443 |
| Amortization expense | 86 | 259 | 1 | 346 | 301 |
| Effect of disposals | - | (259) | (8) | (267) | (413) |
| | <u>\$ 234</u> | <u>\$ 2,775</u> | <u>\$ 401</u> | <u>\$ 3,410</u> | <u>\$ 3,331</u> |
| Net Book Value at March 31, 2011 | <u>\$ 850</u> | <u>\$ 806</u> | <u>\$ 8</u> | <u>\$ 1,664</u> | |
| Net Book Value at March 31, 2010 | <u>\$ 651</u> | <u>\$ 898</u> | <u>\$ 3</u> | | <u>\$ 1,552</u> |

^(a) Equipment includes vehicles, heavy equipment, kitchen and laundry equipment, medical and rehabilitation equipment, bathing equipment, and other equipment.

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (thousands of dollars)

| | 2011 | 2010 |
|--|------------------|------------------|
| Employees' accrued vacation pay and manpower costs | \$ 9,178 | \$ 6,674 |
| Accrued supplies and services | 4,575 | 3,888 |
| Accrued grants | 413 | - |
| Accrued capital purchases | 119 | 82 |
| | <u>\$ 14,285</u> | <u>\$ 10,644</u> |

NOTE 6 VOLUNTARY CONTRIBUTIONS

These financial statements do not include amounts relating to voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

NOTE 7 CONTRACTUAL OBLIGATIONS (thousands of dollars)

Contractual obligations are obligations of the Board to others that will become liabilities in the future when the terms of those contracts or agreements are met.

| | 2011 | 2010 |
|---|-----------------|-----------------|
| Obligations under operating leases, contracts and programs | <u>\$ 2,454</u> | <u>\$ 2,770</u> |

Estimated payment requirements for each of the next five years and thereafter are as follows:

| | Total |
|------------|-----------------|
| 2011-12 | \$ 1,887 |
| 2012-13 | 300 |
| 2013-14 | 106 |
| 2014-15 | 86 |
| 2015-16 | 46 |
| Thereafter | 29 |
| | <u>\$ 2,454</u> |

The Board contracts with service operators to provide services to adults with developmental disabilities in the region. The Board will contract for services for the year ending March 31, 2012 in a similar manner as the year ended March 31, 2011. As at March 31, 2011, contractual commitments have been signed with service operators in the amount of \$59,861 for the year ended March 31, 2012 (\$16,937 for the year ended March 31, 2011).

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 8 TRUST FUNDS UNDER ADMINISTRATION (thousands of dollars)

The Board administers trust funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Board's financial statements.

At March 31, 2011 trust funds under administration were as follows:

| | 2011 | 2010 |
|--------------------|--------|--------|
| Client trust funds | \$ 128 | \$ 129 |

NOTE 9 BENEFIT PLANS (thousands of dollars)

The Board participates in the multi-employer pension plans: Management Employees Pension Plan and Public Service Pension Plan. The Board also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$3,532 for the year ended March 31, 2011 (2010 – \$3,041).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of \$397,087 (2009 – deficiency of \$483,199) and the Public Service Pension Plan reported a deficiency of \$2,067,151 (2009 – deficiency of \$1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,559 (2009 – deficiency of \$39,516).

The Board also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of \$4,141 (2010 – deficiency \$8,335) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$7,020 (2010 – surplus \$7,431). The expense for these two plans is limited to the employer's annual contributions for the year.

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 10 **GRANDFATHERED CLIENTS**
(thousands of dollars)

When the *Persons with Developmental Disabilities Community Governance Act* (the *Act*) was passed by the Alberta Legislature in 1997, the new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria.

Certain individuals and agencies were receiving services prior to the passing of the *Act* but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* report, the Government directed that PDD Boards continue providing services to these individuals and agencies until service responsibility is handed-off to a more appropriate provincial program. Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the *Act*.

The total cost of these services for 3 individuals that has been included in the Statement of Operations is estimated to be \$147 (2010 – 3 clients totalling \$131).

NOTE 11 **COMPARATIVE FIGURES**

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

NOTE 12 **APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were prepared by management and approved by the Board.

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Schedule to Financial Statements
Expenses – Directly Incurred Detailed By Object
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 1

| | 2011 | | 2010 |
|---|-------------------|-------------------|-------------------|
| | Budget | Actual | Actual |
| Manpower | \$ 47,918 | \$ 45,811 | \$ 45,025 |
| Supplies and services | 93,202 | 93,141 | 92,972 |
| Grants | - | 553 | 2,262 |
| Amortization of tangible capital assets | 313 | 346 | 301 |
| | 141,433 | 139,851 | 140,560 |
| Valuation adjustments | | | |
| Provision for vacation pay | 266 | 257 | (430) |
| | <u>\$ 141,699</u> | <u>\$ 140,108</u> | <u>\$ 140,130</u> |

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Schedule to Financial Statements

Budget

Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 2

| | 2010-11 | | |
|--|------------|----------------------------|--------------|
| | Budget | Adjustments ^(a) | Final Budget |
| Revenue | | | |
| Transfer from Department of Seniors and Community Supports | \$ 139,496 | \$ (1,227) | \$ 138,269 |
| Fee revenue | 900 | - | 900 |
| Program fund revenue | 165 | - | 165 |
| | 140,561 | (1,227) | 139,334 |
| Expenses – Directly Incurred | | | |
| Community Living Supports | 83,556 | (1,227) | 82,329 |
| Employment Supports | 3,583 | - | 3,583 |
| Community Access Supports | 15,143 | - | 15,143 |
| Specialized Community Supports | 2,534 | - | 2,534 |
| Direct Operations | 13,322 | - | 13,322 |
| Supports to Delivery Systems | 22,973 | - | 22,973 |
| Board Governance | 157 | - | 157 |
| Program Fund | 165 | - | 165 |
| | 141,433 | (1,227) | 140,206 |
| Valuation adjustments | | | |
| Provision for vacation pay | 266 | - | 266 |
| Net operating results | \$ (1,138) | \$ - | \$ (1,138) |
| Equipment purchases | \$ 460 | \$ - | \$ 460 |

^(a) Reallocation of funding from Department of Seniors and Community Supports. Approved by the Deputy Minister in March 2011.

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Schedule to Financial Statements
Salary and Benefits Disclosure
Year ended March 31, 2011
(in dollars)

SCHEDULE 3

| | 2011 | | | | 2010 |
|---|-------------------------------|--|--|-----------|-----------|
| | Base Salary ^(a) | Other Cash Benefits ^(b) | Other Non-cash Benefits ^(c) | Total | Total |
| Chair of the Board ^(d) | \$ - | \$ 21,095 | \$ - | \$ 21,095 | \$ 27,783 |
| Board Members ^(e) | - | 59,220 | - | 59,220 | 81,452 |
| Chief Executive Officer ^(f) | 135,000 | 1,750 | 32,416 | 169,166 | 208,586 |
| Chief Operating Officer ^(f) | 123,384 | 1,750 | 29,502 | 154,636 | 176,157 |
| Director, Community Programs ^(f) | 119,338 | 1,750 | 30,058 | 151,146 | 146,978 |
| Director, Corporate Services ^(f) | 113,893 | 1,750 | 25,452 | 141,095 | 135,430 |
| Manager, Corporate Development ^(f) | 107,101 | 1,750 | 25,560 | 134,411 | 122,530 |

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(a) Base Salary includes pensionable base pay.

(b) Other cash benefits include vacation payouts, lump sum payments and honoraria. There were no bonuses paid in 2011.

(c) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long-term disability plans, professional memberships and tuition fees.

(d) These amounts represent honoraria payments made to the Chair of the Board.

(e) There are 9 board member positions. These amounts represent honoraria payments made to the board members during the year.

(f) Executives and managers are assigned to the Board from the Department of Seniors and Community Supports and are not employees of the Board.

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Schedule to Financial Statements
Related Party Transactions
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 4

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board.

The Board and the employees seconded to it from the Department of Seniors and Community Supports paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Board had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

| | Entities in the Ministry | | Other Entities | |
|--|--------------------------|------------|----------------|----------|
| | 2011 | 2010 | 2011 | 2010 |
| Revenues | | | | |
| Department of Seniors and Community Supports | \$ 138,269 | \$ 140,048 | \$ - | \$ - |
| Expenses - Directly Incurred | | | | |
| Service Alberta | - | - | 169 | 139 |
| Department of Advanced Education and Technology | - | - | 35 | 59 |
| Department of Health and Wellness | - | - | 27 | - |
| | \$ - | \$ - | \$ 231 | \$ 198 |
| Account receivable | \$ - | \$ - | \$ - | \$ 1,529 |
| Accounts payable | \$ 29 | \$ - | \$ 7 | \$ 5 |
| Contractual obligations | \$ - | \$ - | \$ 501 | \$ 358 |

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Schedule to Financial Statements Related Party Transactions Year ended March 31, 2011 (thousands of dollars)

SCHEDULE 4 (continued)

The Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 5.

| | Entities in the Ministry | | Other Entities | |
|--|--------------------------|-------------|------------------|------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Expenses – Incurred by Others | | | | |
| Department of Infrastructure | \$ - | \$ - | \$ 14,232 | \$ 14,980 |
| Service Alberta | - | - | 251 | 574 |
| Department of Justice and Attorney General | - | - | 37 | 11 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 14,520</u> | <u>\$ 15,565</u> |

PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

Schedule to Financial Statements
Allocated Costs
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 5

| Program | 2011 | | | | | 2010 | |
|--------------------------------|-------------------------------|---------------------|----------------|----------------|---------------|-----------------------|-------------------|
| | Expenses – Incurred by Others | | | | | Valuation Adjustments | |
| | Expenses (a) | Accommodation Costs | Legal Services | Other Services | Vacation Pay | Total Expenses | Total Expenses |
| Community Living Supports | \$ 85,674 | \$ 10,524 | \$ - | \$ - | \$ (57) | \$ 96,141 | \$ 94,524 |
| Employment Supports | 3,445 | - | - | - | - | 3,445 | 3,722 |
| Community Access Supports | 14,421 | 43 | - | - | 3 | 14,467 | 16,411 |
| Specialized Community Supports | 1,531 | 326 | - | - | - | 1,857 | 2,320 |
| Direct Operations | 10,543 | 1,722 | - | - | (26) | 12,239 | 13,201 |
| Supports to Delivery Systems | 23,958 | 1,617 | 37 | 251 | 337 | 26,200 | 25,149 |
| Board Governance | 98 | - | - | - | - | 98 | 145 |
| Program Fund | 181 | - | - | - | - | 181 | 223 |
| | <u>\$ 139,851</u> | <u>\$ 14,232</u> | <u>\$ 37</u> | <u>\$ 251</u> | <u>\$ 257</u> | <u>\$ 154,628</u> | <u>\$ 155,695</u> |

(a) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments

**PERSONS WITH DEVELOPMENTAL DISABILITIES
EDMONTON REGION COMMUNITY BOARD**

Financial Statements

March 31, 2011

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Financial Statements

Year ended March 31, 2011

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 Expenses – Directly Incurred Detailed by Object

Schedule 2 Budget

Schedule 3 Salary and Benefits Disclosure

Schedule 4 Related Party Transactions

Schedule 5 Allocated Costs

Independent Auditor's Report

To the Members of the Board of the Persons with Developmental Disabilities Edmonton Region Community Board and the Minister of Seniors and Community Supports

Report on the Financial Statements

I have audited the accompanying financial statements of the Persons with Developmental Disabilities Edmonton Region Community Board, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Edmonton Region Community Board as at March 31, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Merwan N. Saher, CA

Auditor General

June 8, 2011

Edmonton, Alberta

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Statement of Operations Year ended March 31, 2011 (thousands of dollars)

| | 2011 | | 2010 |
|---|--------------|------------|------------|
| | Budget | Actual | Actual |
| | (Schedule 2) | | |
| Revenues | | | |
| Transfer from Department of Seniors and Community Supports | \$ 175,413 | \$ 175,692 | \$ 172,120 |
| Previous year's refund of expenditures | - | 2,168 | 995 |
| Premiums, fees and licenses | 100 | 217 | 205 |
| | 175,513 | 178,077 | 173,320 |
| Expenses – Directly Incurred (Note 2(b) and Schedules 1 and 5) | | | |
| Programs | | | |
| Community Living Supports | 120,032 | 111,842 | 111,981 |
| Employment Supports | 7,622 | 5,694 | 6,757 |
| Community Access Supports | 17,723 | 17,027 | 17,729 |
| Specialized Community Supports | 1,131 | 1,252 | 850 |
| Direct Operations | 1,404 | 1,031 | 1,014 |
| Supports to Delivery Systems | 27,473 | 35,170 | 34,169 |
| Board Governance | 100 | 85 | 128 |
| | 175,485 | 172,101 | 172,628 |
| Valuation adjustments (Schedule 1) | | | |
| Provision for vacation pay | 119 | (8) | (3) |
| | 175,604 | 172,093 | 172,625 |
| Net operating results | \$ (91) | \$ 5,984 | \$ 695 |

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Statement of Financial Position

As at March 31, 2011

(thousands of dollars)

| | 2011 | 2010 |
|---|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 14,953 | \$ 8,634 |
| Accounts receivable (Note 3) | 3,794 | 3,379 |
| Tangible capital assets (Note 4) | 15 | 8 |
| | <u>\$ 18,762</u> | <u>\$ 12,021</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 5) | \$ 6,868 | \$ 6,111 |
| Net assets | | |
| Net assets at beginning of year | 5,910 | 5,215 |
| Net operating results | <u>5,984</u> | <u>695</u> |
| Net assets at end of year | <u>11,894</u> | <u>5,910</u> |
| | <u>\$ 18,762</u> | <u>\$ 12,021</u> |

Contractual obligations and contingent liabilities (Notes 7 and 8)

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Statement of Cash Flows Year ended March 31, 2011 (thousands of dollars)

| | 2011 | 2010 |
|--|------------------|-----------------|
| Operating transactions | | |
| Net operating results | \$ 5,984 | \$ 695 |
| Non-cash items included in net operating results | | |
| Valuation adjustments | (8) | (3) |
| Amortization | 6 | 8 |
| | <u>5,982</u> | <u>700</u> |
| | | |
| Increase in accounts receivable | (415) | (2,961) |
| Increase in accounts payable and accrued liabilities before valuation adjustments | <u>765</u> | <u>160</u> |
| | | |
| Cash provided by (applied to) operating transactions | 6,332 | (2,101) |
| | | |
| Capital transactions | | |
| Acquisition of tangible capital assets | <u>(13)</u> | <u>-</u> |
| | 6,319 | (2,101) |
| | | |
| Cash and cash equivalents, beginning of year | <u>8,634</u> | <u>10,735</u> |
| | | |
| Cash and cash equivalents, end of year | <u>\$ 14,953</u> | <u>\$ 8,634</u> |

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 1 AUTHORITY AND PURPOSE

The Persons with Developmental Disabilities Edmonton Region Community Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Board is responsible for developing, implementing and evaluating plans for the provision of services for adults with developmental disabilities within the region.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Seniors and Community Supports (the Ministry), and for which the Minister of Seniors and Community Supports (the Minister) is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Expenses

Directly Incurred

Directly incurred expenses are those costs the Board has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as supplies and services, directly incurred expenses also include:

- amortization of tangible capital assets.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.
- costs of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Seniors and Community Supports. The cost of their salaries, wages and benefits is included in manpower expense.
- pension costs, which are the cost of employer contributions for current service of employees during the year.

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met.

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Description of Program Expenses Reported on the Statement of Operations

Community Living Supports – expenses incurred to assist adults with developmental disabilities to live in their home.

Employment Supports – expenses incurred to assist adults with developmental disabilities in gaining and maintaining employment.

Community Access Supports – expenses incurred to assist adults with developmental disabilities to participate in community activities and personal development activities.

Specialized Community Supports – expenses incurred to provide other unique supports that are needed to assist adults with developmental disabilities in their environment or to enhance their access to the community.

Direct Operations – expenses incurred to operate the Eric Cormack Centre and 11 community homes in the greater Edmonton area.

Supports to Delivery Systems – expenses incurred to provide administrative and financial support for program delivery.

Board Governance – expenses incurred in support of Board related activities.

Incurred by Others

Services contributed by other entities in support of Board operations are not recognized and are disclosed in Schedule 4 and allocated to programs in Schedule 5.

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Board include cash and cash equivalents and financial claims, such as accounts receivables from other organizations.

Tangible capital assets of the Board are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged if the asset is in use.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in future.

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the carrying value of assets held by the Board and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

NOTE 3 ACCOUNTS RECEIVABLE (thousands of dollars)

| | 2011 | | | 2010 |
|--------------------|-----------------|---------------------------------------|----------------------------|----------------------------|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Service providers | \$ 3,658 | \$ - | \$ 3,658 | \$ 3,194 |
| Other | 117 | - | 117 | 160 |
| Accommodation fees | 19 | - | 19 | 25 |
| | <u>\$ 3,794</u> | <u>\$ -</u> | <u>\$ 3,794</u> | <u>\$ 3,379</u> |

Accounts receivable are unsecured and non-interest bearing.

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 4 TANGIBLE CAPITAL ASSETS (thousands of dollars)

| | 2011 | | | 2010 |
|---|--------------------------|------------------------|--------------|--------------|
| | Equipment ^(a) | Leasehold Improvements | Total | Total |
| Estimated useful life | 7 years | 5 years | | |
| Historical cost | | | | |
| Beginning of year | \$ 23 | \$ 40 | \$ 63 | \$ 63 |
| Additions | 13 | - | 13 | - |
| | <u>\$ 36</u> | <u>\$ 40</u> | <u>\$ 76</u> | <u>\$ 63</u> |
| Accumulated amortization | | | | |
| Beginning of year | \$ 21 | \$ 34 | \$ 55 | \$ 47 |
| Amortization expense | 2 | 4 | 6 | 8 |
| | <u>\$ 23</u> | <u>\$ 38</u> | <u>\$ 61</u> | <u>\$ 55</u> |
| Net book value at March 31, 2011 | <u>\$ 13</u> | <u>\$ 2</u> | <u>\$ 15</u> | |
| Net book value at March 31, 2010 | <u>\$ 2</u> | <u>\$ 6</u> | | <u>\$ 8</u> |

^(a) Equipment includes kitchen equipment and bathing equipment.

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (thousands of dollars)

| | 2011 | 2010 |
|--|-----------------|-----------------|
| Service provider accruals | \$ 3,963 | \$ 3,707 |
| Employees' accrued vacation pay and manpower costs | 2,630 | 2,101 |
| Other accrued supplies and services | 257 | 303 |
| Accrued grants | 18 | - |
| | <u>\$ 6,868</u> | <u>\$ 6,111</u> |

NOTE 6 VOLUNTARY CONTRIBUTIONS

These financial statements do not include amounts relating to voluntary contributions received for materials and services because of the difficulties in determining their fair market value.

NOTE 7 CONTRACTUAL OBLIGATIONS (thousands of dollars)

The Board contracts with service operators to provide services to adults with developmental disabilities in the region. The Board will contract for services for the year ending March 31, 2012 in a similar manner as the year ended March 31, 2011. As at March 31, 2011, contractual commitments have been signed with service operators in the amount of \$15,587 for the year ended March 31, 2012 (\$19,527 for the year ended March 31, 2011).

NOTE 8 CONTINGENT LIABILITIES (thousands of dollars)

At March 31, 2011 there were no legal claim(s) against the Board (2010 – one legal claim of no specified amount).

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 9 TRUST FUNDS UNDER ADMINISTRATION

(thousands of dollars)

The Board administers trust funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Board's financial statements.

At March 31, 2011 trust funds under administration were as follows:

| | 2011 | 2010 |
|----------------------|--------------|--------------|
| Client trust funds | \$ 83 | \$ 93 |
| Donations to clients | 1 | 2 |
| | <u>\$ 84</u> | <u>\$ 95</u> |

NOTE 10 BENEFIT PLANS

(thousands of dollars)

The Board participates in the multi-employer pension plans: Management Employees Pension Plan and Public Service Pension Plan. The Board also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$1,450 for the year ended March 31, 2011 (2010 – \$1,180).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of \$397,087 (2009 – deficiency of \$483,199) and the Public Service Pension Plan reported a deficiency of \$2,067,151 (2009 – deficiency of \$1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,559 (2009 – deficiency of \$39,516).

The Board also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of \$4,141 (2010 – deficiency \$8,335) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$7,020 (2010 – surplus \$7,431). The expense for these two plans is limited to the employer's annual contributions for the year.

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 11 GRANDFATHERED CLIENTS

(thousands of dollars)

When the *Persons with Developmental Disabilities Community Governance Act* (the *Act*) was passed by the Alberta Legislature in 1997, the new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria.

Certain individuals and agencies were receiving services prior to the passing of the *Act* but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* report, Government directed that PDD Boards continue providing services to these individuals and agencies until service responsibility is handed-off to a more appropriate provincial program. Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the *Act*.

The total cost of these services in 2011 for 9 individuals that has been included in the Statement of Operations is estimated to be \$514 (2010 – 9 individuals totalling \$609).

NOTE 12 COMPARATIVE FIGURES

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

NOTE 13 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were prepared by management and approved by the Board.

**PERSONS WITH DEVELOPMENTAL DISABILITIES
EDMONTON REGION COMMUNITY BOARD**

Schedule to Financial Statements
Expenses – Directly Incurred Detailed By Object
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 1

| | 2011 | | 2010 |
|---|-------------------|-------------------|-------------------|
| | Budget | Actual | Actual |
| Manpower | \$ 17,779 | \$ 16,760 | \$ 16,486 |
| Supplies and services | 157,704 | 154,556 | 151,351 |
| Grants | - | 779 | 4,783 |
| Amortization of tangible capital assets | 2 | 6 | 8 |
| | 175,485 | 172,101 | 172,628 |
| Valuation adjustments | | | |
| Provision for vacation pay | 119 | (8) | (3) |
| | <u>\$ 175,604</u> | <u>\$ 172,093</u> | <u>\$ 172,625</u> |

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Schedule to Financial Statements Budget

Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 2

| | 2010-11 | | |
|--|------------|----------------------------|--------------|
| | Budget | Adjustments ^(a) | Final Budget |
| Revenue | | | |
| Transfer from Department of Seniors and Community Supports | \$ 175,413 | \$ 279 | \$ 175,692 |
| Premiums, fees and licenses | 100 | - | 100 |
| | 175,513 | 279 | 175,792 |
| Expenses – Directly Incurred | | | |
| Community Living Supports | 120,032 | - | 120,032 |
| Employment Supports | 7,622 | - | 7,622 |
| Community Access Supports | 17,723 | - | 17,723 |
| Specialized Community Supports | 1,131 | - | 1,131 |
| Direct Operations | 1,404 | - | 1,404 |
| Supports to Delivery Systems | 27,473 | 279 | 27,752 |
| Board Governance | 100 | - | 100 |
| | 175,485 | 279 | 175,764 |
| Valuation adjustments | | | |
| Provision for vacation pay | 119 | - | 119 |
| Net operating results | \$ (91) | \$ - | \$ (91) |
| Equipment purchases | \$ 30 | \$ - | \$ 30 |

^(a) Reallocation of funding from Department of Seniors and Community Supports. Approved by the Deputy Minister in March 2011.

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Schedule to Financial Statements
Salary and Benefits Disclosure
Year ended March 31, 2011
(in dollars)

SCHEDULE 3

| | 2011 | | | 2010 | |
|--|-------------------------------|--|--|-----------|-----------|
| | Base Salary ^(a) | Other Cash Benefits ^(b) | Other Non-cash Benefits ^(c) | Total | Total |
| Chair of the Board ^(d) | \$ - | \$ 29,429 | \$ - | \$ 29,429 | \$ 39,370 |
| Board Members ^(e) | - | 34,580 | - | 34,580 | 53,959 |
| Chief Executive Officer ^(f) | 75,453 | 1,750 | 43,287 | 120,490 | 188,353 |
| Assistant Chief Executive Officer ^(f) | 131,099 | 1,750 | 32,061 | 164,910 | 153,110 |
| Manager, Finance and Administration ^(f) | 99,168 | 1,750 | 25,344 | 126,262 | 123,983 |
| Manager, Community Resources ^(f) | 105,186 | 1,750 | 24,626 | 131,562 | 122,171 |
| Executive Director, Residential Services ^(f) | 121,644 | 1,750 | 28,720 | 152,114 | 148,830 |

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(a) Base Salary includes pensionable base pay.

(b) Other cash benefits include vacation payouts, lump-sum payments and honoraria. There were no bonuses paid in 2011.

(c) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(d) These amounts represent honoraria payments made to the Chair of the Board.

(e) There are 8 board member positions. These amounts represent honoraria payments made to the board members during the year.

(f) Executives are assigned to the Board from the Department of Seniors and Community Supports and are not employees of the Board.

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Schedule to Financial Statements Related Party Transactions

Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 4

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board.

The Board and the employees seconded to it from the Department of Seniors and Community Supports paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Board had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

| | Entities in the Ministry | | Other Entities | |
|--|--------------------------|------------|----------------|--------|
| | 2011 | 2010 | 2011 | 2010 |
| Revenues | | | | |
| Department of Seniors and Community Supports | \$ 175,692 | \$ 172,120 | \$ - | \$ - |
| Expenses – Directly Incurred | | | | |
| Service Alberta | \$ - | \$ - | \$ 18 | \$ 19 |
| Department of Infrastructure | - | - | 2 | 1 |
| Alberta Health Services | - | - | 188 | 18 |
| Department of Children and Youth Services | - | - | 105 | 56 |
| | \$ - | \$ - | \$ 313 | \$ 94 |
| Accounts payable | \$ 18 | \$ - | \$ 51 | \$ 18 |
| Accounts receivable | \$ 6 | \$ - | \$ - | \$ 142 |

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Schedule to Financial Statements
Related Party Transactions
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 4 (continued)

The Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 5.

| | Entities in the Ministry | | Other Entities | |
|--|--------------------------|-------------|-----------------|-----------------|
| | 2011 | 2010 | 2011 | 2010 |
| Expenses – Incurred by Others | | | | |
| Department of Infrastructure | \$ - | \$ - | \$ 5,201 | \$ 5,311 |
| Service Alberta | - | - | 272 | 620 |
| Department of Justice and Attorney General | - | - | 36 | 97 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,509</u> | <u>\$ 6,028</u> |

PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

Schedule to Financial Statements
Allocated Costs
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 5

| Program | Expenses ^(a) | 2011 | | | | 2010 | |
|--------------------------------|-------------------------|-------------------------------|-------------------|-------------------|--------------------------|-------------------|-------------------|
| | | Expenses – Incurred by Others | | | Valuation Adjustments | Total Expenses | Total Expenses |
| | | Accommodation Costs | Legal Services | Other Services | | | |
| Community Living Supports | \$ 111,842 | \$ 3,641 | \$ - | \$ - | 9 | \$ 115,492 | \$ 115,969 |
| Employment Supports | 5,694 | - | - | - | - | 5,694 | 6,757 |
| Community Access Supports | 17,027 | - | - | - | - | 17,027 | 17,729 |
| Specialized Community Supports | 1,252 | - | - | - | - | 1,252 | 850 |
| Direct Operations | 1,031 | - | - | - | - | 1,031 | 1,014 |
| Supports to Delivery Systems | 35,170 | 1,560 | 36 | 272 | - | 37,038 | 36,206 |
| Board Governance | 85 | - | - | - | (17) | 68 | 128 |
| | <u>\$ 172,101</u> | <u>\$ 5,201</u> | <u>\$ 36</u> | <u>\$ 272</u> | <u>\$(8)</u> | <u>\$ 177,602</u> | <u>\$ 178,653</u> |

^(a)Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments

**PERSONS WITH DEVELOPMENTAL DISABILITIES
NORTHEAST REGION COMMUNITY BOARD**

Financial Statements

March 31, 2011

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Financial Statements

Year ended March 31, 2011

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 Expenses – Directly Incurred Detailed by Object

Schedule 2 Budget

Schedule 3 Salary and Benefits Disclosure

Schedule 4 Related Party Transactions

Schedule 5 Allocated Costs

Independent Auditor's Report

To the Members of the Board of the Persons with Developmental Disabilities Northeast Region Community Board and the Minister of Seniors and Community Supports

Report on the Consolidated Financial Statements

I have audited the accompanying financial statements of the Persons with Developmental Disabilities Northeast Region Community Board, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Northeast Region Community Board as at March 31, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Merwan N. Saher, CA

Auditor General

June 1, 2011

Edmonton, Alberta

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Statement of Operations Year ended March 31, 2011 (thousands of dollars)

| | 2011 | | 2010 |
|---|--------------|-----------|-----------|
| | Budget | Actual | Actual |
| | (Schedule 2) | | |
| Revenues | | | |
| Transfer from Department of Seniors and Community Supports | \$ 31,397 | \$ 31,397 | \$ 31,369 |
| Previous year's refund of expenditures | - | 25 | 401 |
| | 31,397 | 31,422 | 31,770 |
| Expenses – Directly Incurred (Note 2 (b), Schedules 1 and 5) | | | |
| Programs | | | |
| Community Living Supports | 14,121 | 15,585 | 15,334 |
| Employment Supports | 2,548 | 1,704 | 2,106 |
| Community Access Supports | 3,612 | 4,374 | 4,598 |
| Specialized Community Supports | 424 | 1,636 | 413 |
| Supports to Delivery Systems | 10,509 | 8,078 | 8,508 |
| Board Governance | 183 | 92 | 156 |
| | 31,397 | 31,469 | 31,115 |
| Valuation adjustments (Schedule 1) | | | |
| Provision for vacation pay | 8 | (16) | 4 |
| | 31,405 | 31,453 | 31,119 |
| Net operating results | \$ (8) | \$ (31) | \$ 651 |

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Statement of Financial Position As at March 31, 2011 (thousands of dollars)

| | 2011 | 2010 |
|---|-----------------|-----------------|
| Assets | | |
| Cash and cash equivalents | \$ 3,560 | \$ 1,967 |
| Accounts receivable (Note 3) | 307 | 433 |
| | <u>\$ 3,867</u> | <u>\$ 2,400</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 4) | \$ 2,252 | \$ 754 |
| Net assets | | |
| Net assets at beginning of year | 1,646 | 995 |
| Net operating results | (31) | 651 |
| | <u>1,615</u> | <u>1,646</u> |
| Net assets at end of year | <u>\$ 3,867</u> | <u>\$ 2,400</u> |

Contractual obligations (Note 6)

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Statement of Cash Flows Year ended March 31, 2011 (thousands of dollars)

| | 2011 | 2010 |
|---|----------|----------|
| Operating transactions | | |
| Net operating results | \$ (31) | \$ 651 |
| Non-cash items included in net operating results | | |
| Valuation adjustments | (16) | 4 |
| | (47) | 655 |
| Decrease (increase) in accounts receivable | 126 | (248) |
| Increase (decrease) in accounts payable and accrued liabilities before valuation adjustments | 1,514 | (608) |
| Cash provided by (applied to) operating transactions | 1,593 | (201) |
| Cash and cash equivalents, beginning of year | 1,967 | 2,168 |
| Cash and cash equivalents, end of year | \$ 3,560 | \$ 1,967 |

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 1 AUTHORITY AND PURPOSE

The Persons with Developmental Disabilities Northeast Region Community Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Board is responsible for developing, implementing, and evaluating plans for the provision of services for adults with developmental disabilities within the region.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Seniors and Community Supports (the Ministry), and for which the Minister of Seniors and Community Supports (the Minister) is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Expenses

Directly Incurred

Directly incurred expenses are those costs the Board has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as supplies and services, directly incurred expenses also include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.
- costs of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Seniors and Community Supports. The cost of their salaries, wages and benefits is included in manpower expense.
- pension costs, which are the cost of employer contributions for current service of employees during the year.

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Description of Program Expenses Reported on the Statement of Operations

Community Living Supports – expenses incurred to assist adults with developmental disabilities to live in their home.

Employment Supports – expenses incurred to assist adults with developmental disabilities in gaining and maintaining employment.

Community Access Supports – expenses incurred to assist adults with developmental disabilities to participate in community activities and personal development activities.

Specialized Community Supports – expenses incurred to provide other unique supports that are needed to assist adults with developmental disabilities in their environment or to enhance their access to the community.

Supports to Delivery Systems – expenses incurred to provide administrative and financial support for program delivery.

Board Governance – expenses incurred in support of Board related activities.

Incurred by Others

Services contributed by other entities in support of Board operations are not recognized and are disclosed in Schedule 4 and allocated to programs in Schedule 5.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Board include cash and financial claims, such as receivables from other organizations.

The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged if the asset is in use.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the carrying value of assets held by the Board and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 3 ACCOUNTS RECEIVABLE (thousands of dollars)

| | 2011 | | | 2010 |
|-------------------|-----------------|---------------------------------------|----------------------------|----------------------------|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Service providers | \$ 306 | \$ - | \$ 306 | \$ 409 |
| Other | 1 | - | 1 | 24 |
| | <u>\$ 307</u> | <u>\$ -</u> | <u>\$ 307</u> | <u>\$ 433</u> |

Accounts receivable are unsecured and non-interest bearing.

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (thousands of dollars)

| | 2011 | 2010 |
|--|-----------------|---------------|
| Accrued supplies and services | \$ 1,058 | \$ 364 |
| Accrued grants | 883 | 100 |
| Employees' accrued vacation pay and manpower costs | 311 | 290 |
| | <u>\$ 2,252</u> | <u>\$ 754</u> |

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 5 VOLUNTARY CONTRIBUTIONS

These financial statements do not include amounts relating to voluntary contributions received for materials and services because of the difficulties in determining their fair market value.

NOTE 6 CONTRACTUAL OBLIGATIONS (thousands of dollars)

Contractual obligations are obligations of the Board to others that will become liabilities in the future when the terms of those contracts or agreements are met.

| | 2011 | 2010 |
|---|---------------|---------------|
| Obligations under operating leases, contracts and programs | <u>\$ 149</u> | <u>\$ 141</u> |

Estimated payment requirements for each of the next five years and thereafter are as follows:

| | Total |
|------------|---------------|
| 2011-12 | \$ 36 |
| 2012-13 | 34 |
| 2013-14 | 34 |
| 2014-15 | 26 |
| 2015-16 | 12 |
| Thereafter | 7 |
| | <u>\$ 149</u> |

The Board contracts with service operators to provide services to adults with developmental disabilities in the region. The Board will contract for services for the year ending March 31, 2012 in a similar manner as the year ended March 31, 2011. As at March 31, 2011, contractual commitments have been signed with service operators in the amount of \$28,557 for the year ended March 31, 2012 (\$23,457 for the year ended March 31, 2011).

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 7 BENEFIT PLANS

(thousands of dollars)

The Board participates in the multi-employer pension plans: Management Employees Pension Plan and Public Service Pension Plan. The Board also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$206 for the year ended March 31, 2011 (2010 – \$164).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of \$397,087 (2009 – deficiency of \$483,199) and the Public Service Pension Plan reported a deficiency of \$2,067,151 (2009 – deficiency of \$1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,559 (2009 – deficiency of \$39,516).

The Board also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of \$4,141 (2010 – deficiency \$8,335) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$7,020 (2010 – surplus \$7,431). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 8 GRANDFATHERED CLIENTS

(thousands of dollars)

When the *Persons with Developmental Disabilities Community Governance Act* (the *Act*) was passed by the Alberta Legislature in 1997, the new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria.

Certain individuals and agencies were receiving services prior to the passing of the *Act* but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* report, Government directed that PDD Boards continue providing services to these individuals and agencies until service responsibility is handed-off to a more appropriate provincial program. Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the *Act*.

The total cost of these services for 6 individuals that has been included in the Statement of Operations is estimated to be \$131 (2010 – 6 individuals totalling \$125).

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 9 COMPARATIVE FIGURES

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

NOTE 10 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were prepared by management and approved by the Board.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Schedule to Financial Statements
Expenses – Directly Incurred Detailed By Object
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 1

| | 2011 | | 2010 |
|----------------------------|-----------|-----------|-----------|
| | Budget | Actual | Actual |
| Manpower | \$ 2,367 | \$ 2,097 | \$ 2,019 |
| Supplies and services | 29,030 | 28,150 | 28,082 |
| Grants | - | 1,222 | 1,014 |
| | 31,397 | 31,469 | 31,115 |
| Valuation adjustments | | | |
| Provision for vacation pay | 8 | (16) | 4 |
| | \$ 31,405 | \$ 31,453 | \$ 31,119 |

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Schedule to Financial Statements
Budget
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 2

| | 2010-11 | | |
|---|-----------|-------------|--------------|
| | Budget | Adjustments | Final Budget |
| Revenue | | | |
| Transfer from Department of Seniors and Community Supports | \$ 31,397 | \$ - | \$ 31,397 |
| Expenses – Directly Incurred | | | |
| Community Living Supports | 14,121 | - | 14,121 |
| Employment Supports | 2,548 | - | 2,548 |
| Community Access Supports | 3,612 | - | 3,612 |
| Specialized Community Supports | 424 | - | 424 |
| Supports to Delivery Systems | 10,509 | - | 10,509 |
| Board Governance | 183 | - | 183 |
| | 31,397 | - | 31,397 |
| Valuation adjustments | | | |
| Provision for vacation pay | 8 | - | 8 |
| Net operating results | \$ (8) | \$ - | \$ (8) |

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Schedule to Financial Statements
Salary and Benefits Disclosure
Year ended March 31, 2011
(in dollars)

SCHEDULE 3

| | 2011 | | | | 2010 |
|--|-------------------------------|--|--|-----------|-----------|
| | Base Salary ^(a) | Other Cash Benefits ^(b) | Other Non-cash Benefits ^(c) | Total | Total |
| Chair of the Board ^(d) | \$ - | \$ 23,571 | \$ - | \$ 23,571 | \$ 29,251 |
| Board Members ^(e) | - | 44,769 | - | 44,769 | 81,101 |
| Chief Executive Officer ^(f) | 147,144 | 1,750 | 35,961 | 184,855 | 182,553 |
| Manager, Finance and Monitoring ^(f) | 99,168 | 1,750 | 25,327 | 126,245 | 123,964 |
| Manager, Community Integration ^{(f) (g)} | 54,695 | 3,000 | 13,411 | 71,106 | - |

Prepared in accordance with Treasury Board Directive 12/98 as amended.

^(a) Base Salary includes pensionable base pay.

^(b) Other cash benefits include vacation payouts, lump sum payments and honoraria. There were no bonuses paid in 2011.

^(c) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

^(d) These amounts represent honoraria payments made to the Chair of the Board.

^(e) There are 8 board member positions. These amounts represent honoraria payments made to the board members during the year.

^(f) Executives and managers are assigned to the Board from the Department of Seniors and Community Supports and are not employees of the Board.

^(g) The position of Manager, Community Integration was vacant from April 1, 2009 to April 11, 2010 and from December 10, 2010 to March 31, 2011.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Schedule to Financial Statements Related Party Transactions Year ended March 31, 2011 (thousands of dollars)

SCHEDULE 4

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board.

The Board and the employees seconded to it from the Department of Seniors and Community Supports paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Board had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

| | Entities in the Ministry | | Other Entities | |
|---|--------------------------|-----------|----------------|--------|
| | 2011 | 2010 | 2011 | 2010 |
| Revenues | | | | |
| Department of Seniors and Community Supports | \$ 31,397 | \$ 31,369 | \$ - | \$ - |
| Accounts payable | \$ 3 | \$ - | \$ - | \$ - |
| Accounts receivable | \$ - | \$ - | \$ - | \$ 14 |
| Contractual obligations | \$ - | \$ - | \$ 143 | \$ 137 |

The Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 5.

| | Entities in the Ministry | | Other Entities | |
|---|--------------------------|------|----------------|--------|
| | 2011 | 2010 | 2011 | 2010 |
| Expenses – Incurred by Others | | | | |
| Department of Infrastructure | \$ - | \$ - | \$ 438 | \$ 447 |
| Service Alberta | - | - | 57 | 130 |
| Department of Justice and Attorney General | - | - | 12 | 9 |
| | \$ - | \$ - | \$ 507 | \$ 586 |

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

Schedule to Financial Statements

Allocated Costs

Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 5

| Program | 2011 | | | | | 2010 | | |
|--------------------------------|-------------------------|-------------------------------|-------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
| | Expenses ^(a) | Expenses – Incurred by Others | | | Valuation Adjustments | Total Expenses | Total Expenses | Total Expenses |
| | | Accommodation Costs | Legal Services | Other Services | | | | |
| Community Living Supports | \$ 15,585 | \$ - | \$ - | \$ - | \$ - | \$ 15,585 | \$ 15,585 | \$ 15,334 |
| Employment Supports | 1,704 | - | - | - | - | 1,704 | 1,704 | 2,106 |
| Community Access Supports | 4,374 | - | - | - | - | 4,374 | 4,374 | 4,598 |
| Specialized Community Supports | 1,636 | - | - | - | - | 1,636 | 1,636 | 413 |
| Supports to Delivery Systems | 8,078 | 438 | 12 | 57 | (16) | 8,569 | 8,569 | 9,098 |
| Board Governance | 92 | - | - | - | - | 92 | 92 | 156 |
| | <u>\$ 31,469</u> | <u>\$ 438</u> | <u>\$ 12</u> | <u>\$ 57</u> | <u>\$ (16)</u> | <u>\$ 31,960</u> | <u>\$ 31,960</u> | <u>\$ 31,705</u> |

^(a) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

**PERSONS WITH DEVELOPMENTAL DISABILITIES
NORTHWEST REGION COMMUNITY BOARD**

Financial Statements

March 31, 2011

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Financial Statements

Year ended March 31, 2011

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 Expenses – Directly Incurred Detailed by Object

Schedule 2 Budget

Schedule 3 Salary and Benefits Disclosure

Schedule 4 Related Party Transactions

Schedule 5 Allocated Costs

Independent Auditor's Report



To the Members of the Board of Persons with Developmental Disabilities Northwest Region Community Board and the Minister of Seniors and Community Supports

Report on the Financial Statements

I have audited the accompanying financial statements of the Persons with Developmental Disabilities Northwest Region Community Board, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Northwest Region Community Board as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Merwan N. Saher, CA

Auditor General

June 6, 2011

Edmonton, Alberta

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Statement of Operations Year ended March 31, 2011 (thousands of dollars)

| | 2011 | | 2010 |
|--|--------------|-----------|-----------|
| | Budget | Actual | Actual |
| | (Schedule 2) | | |
| Revenues | | | |
| Transfer from Department of Seniors and Community Supports | \$ 21,979 | \$ 22,129 | \$ 21,958 |
| Previous year's refund of expenditures | - | 316 | 4 |
| | 21,979 | 22,445 | 21,962 |
| Expenses – Directly Incurred (Note 2(b), Schedules 1 and 5) | | | |
| Programs | | | |
| Community Living Supports | 11,131 | 12,885 | 12,289 |
| Employment Supports | 1,251 | 734 | 850 |
| Community Access Supports | 2,598 | 2,426 | 2,397 |
| Specialized Community Supports | 943 | 294 | 433 |
| Supports to Delivery Systems | 5,890 | 5,733 | 5,679 |
| Board Governance | 160 | 102 | 116 |
| | 21,973 | 22,174 | 21,764 |
| Valuation adjustments (Schedule 1) | | | |
| Provision for vacation pay | 7 | 3 | (27) |
| Provision for doubtful accounts | - | - | 2 |
| | 7 | 3 | (25) |
| | 21,980 | 22,177 | 21,739 |
| Net operating results | \$ (1) | \$ 268 | \$ 223 |

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Statement of Financial Position As at March 31, 2011 (thousands of dollars)

| | 2011 | 2010 |
|---|-----------------|-----------------|
| Assets | | |
| Cash and cash equivalents | \$ 878 | \$ 948 |
| Accounts receivable (Note 3) | 247 | 161 |
| | <u>\$ 1,125</u> | <u>\$ 1,109</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 4) | \$ 526 | \$ 778 |
| Net assets | | |
| Net assets at beginning of year | 331 | 108 |
| Net operating results | 268 | 223 |
| | <u>599</u> | <u>331</u> |
| | <u>\$ 1,125</u> | <u>\$ 1,109</u> |

Contractual obligations (Note 6)

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Statement of Cash Flows

Year ended March 31, 2011

(thousands of dollars)

| | 2011 | 2010 |
|--|--------|--------|
| Operating transactions | | |
| Net operating results | \$ 268 | \$ 223 |
| Non-cash items included in net operating results | | |
| Valuation adjustments | 3 | (25) |
| | 271 | 198 |
| Increase in accounts receivable | (86) | (52) |
| (Decrease) increase in accounts payable and accrued liabilities before valuation adjustments | (255) | 236 |
| Cash (applied to) provided by operating transactions | (70) | 382 |
| Cash and cash equivalents, beginning of year | 948 | 566 |
| Cash and cash equivalents, end of year | \$ 878 | \$ 948 |

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 1 AUTHORITY AND PURPOSE

The Persons with Developmental Disabilities Northwest Region Community Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Board is responsible for developing, implementing, and evaluating plans for the provision of services for adults with developmental disabilities within the region.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Seniors and Community Supports (the Ministry), and for which the Minister of Seniors and Community Supports (the Minister) is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Directly Incurred

Directly incurred expenses are those costs the Board has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as supplies and services, directly incurred expenses also include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.
- costs of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Seniors and Community Supports. The cost of their salaries, wages and benefits is included in manpower expense.
- pension costs, which are the cost of employer contributions for current service of employees during the year.

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met.

**PERSONS WITH DEVELOPMENTAL DISABILITIES
NORTHWEST REGION COMMUNITY BOARD**

Notes to the Financial Statements

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING
PRACTICES (continued)**

(b) Basis of Financial Reporting (continued)

Expenses

Description of Program Expenses Reported on the Statement of Operations

Community Living Supports – expenses incurred to assist adults with developmental disabilities to live in their home.

Employment Supports – expenses incurred to assist adults with developmental disabilities in gaining and maintaining employment.

Community Access Supports – expenses incurred to assist adults with developmental disabilities to participate in community activities and personal development activities.

Specialized Community Supports – expenses incurred to provide other unique supports that are needed to assist adults with developmental disabilities in their environment or to enhance their access to the community.

Supports to Delivery Systems – expenses incurred to provide administrative and financial support for program delivery.

Board Governance – expenses incurred in support of Board related activities.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Incurred by Others

Services contributed by other entities in support of Board operations are not recognized and are disclosed in Schedule 4 and allocated to programs in Schedule 5.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Board include cash and financial claims, such as receivables from other organizations.

The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged if the asset is in use.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

PERSONS WITH DEVELOPMENTAL DISABILITIES
NORTHWEST REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the carrying value of assets held by the Board and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

NOTE 3 ACCOUNTS RECEIVABLE
(thousands of dollars)

| | 2011 | | | 2010 |
|-------------------|-----------------|---------------------------------------|----------------------------|----------------------------|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Service providers | \$ 246 | \$ - | \$ 246 | \$ 161 |
| Other | 1 | - | 1 | - |
| | <u>\$ 247</u> | <u>\$ -</u> | <u>\$ 247</u> | <u>\$ 161</u> |

Accounts receivable are unsecured and non-interest bearing.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(thousands of dollars)

| | 2011 | 2010 |
|--|---------------|---------------|
| Accrued supplies and services | \$ 275 | \$ 552 |
| Employees' accrued vacation pay and manpower costs | 251 | 226 |
| | <u>\$ 526</u> | <u>\$ 778</u> |

NOTE 5 VOLUNTARY CONTRIBUTIONS

These financial statements do not include amounts relating to voluntary contributions received for materials and services because of the difficulty in determining their fair market value.

NOTE 6 CONTRACTUAL OBLIGATIONS
(thousands of dollars)

Contractual obligations are obligations of the Board to others that will become liabilities in the future when the terms of those contracts or agreements are met.

| | 2011 | 2010 |
|---|---------------|--------------|
| Obligations under operating leases, contracts and programs | <u>\$ 104</u> | <u>\$ 99</u> |

Estimated payment requirements for each of the next five years and thereafter are as follows:

| | Total |
|------------|---------------|
| 2011-12 | \$ 19 |
| 2012-13 | 22 |
| 2013-14 | 22 |
| 2014-15 | 22 |
| 2015-16 | 11 |
| Thereafter | 8 |
| | <u>\$ 104</u> |

The Board contracts with service operators to provide services to adults with developmental disabilities in the region. The Board will contract for services for the year ending March 31, 2012 in a similar manner as the year ended March 31, 2011. As at March 31, 2011, contractual commitments have been signed with service operators in the amount of \$12,777 for the year ended March 31, 2012 (\$12,405 for the year ended March 31, 2011).

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 7 BENEFIT PLANS (thousands of dollars)

The Board participates in the multi-employer pension plans: Management Employees Pension Plan and Public Service Pension Plan. The Board also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$144 for the year ended March 31, 2011 (2010 – \$130).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of \$397,087 (2009 – deficiency \$483,199) and the Public Service Pension Plan reported a deficiency of \$2,067,151 (2009 – deficiency \$1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,559 (2009 – deficiency \$39,516).

The Board also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of \$4,141 (2010 – deficiency \$8,335) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$7,020 (2010 – surplus \$7,431). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 8 COMPARATIVE FIGURES

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

NOTE 9 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were prepared by management and approved by the Board.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Schedule to Financial Statements
Expenses – Directly Incurred Detailed By Object
Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 1

| | 2011 | | 2010 |
|---|------------------|------------------|------------------|
| | Budget | Actual | Actual |
| Manpower | \$ 1,676 | \$ 1,537 | \$ 1,586 |
| Supplies and services | 20,288 | 20,514 | 19,665 |
| Grants | - | 123 | 513 |
| Amortization of tangible capital assets | 9 | - | - |
| | 21,973 | 22,174 | 21,764 |
| Valuation adjustments | | | |
| Provision for vacation pay | 7 | 3 | (27) |
| Provision for doubtful accounts | - | - | 2 |
| | 7 | 3 | (25) |
| | <u>\$ 21,980</u> | <u>\$ 22,177</u> | <u>\$ 21,739</u> |

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Schedule to Financial Statements

Budget

Year ended March 31, 2011

(thousands of dollars)

SCHEDULE 2

| | 2010-11 | | |
|---|-----------|----------------------------|--------------|
| | Budget | Adjustments ^(a) | Final Budget |
| Revenue | | | |
| Transfer from Department of Seniors and Community Supports | \$ 21,979 | \$ 150 | \$ 22,129 |
| Expenses – Directly Incurred | | | |
| Community Living Supports | 11,131 | 150 | 11,281 |
| Employment Supports | 1,251 | - | 1,251 |
| Community Access Supports | 2,598 | - | 2,598 |
| Specialized Community Supports | 943 | - | 943 |
| Supports to Delivery Systems | 5,890 | - | 5,890 |
| Board Governance | 160 | - | 160 |
| | 21,973 | 150 | 22,123 |
| Valuation adjustments | | | |
| Provision for vacation pay | 7 | - | 7 |
| Net operating results | \$ (1) | \$ - | \$ (1) |
| Equipment purchases | \$ 15 | \$ - | \$ 15 |

^(a) Reallocation of funding from Department of Seniors and Community Supports. Approved by the Deputy Minister in March 2011.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Schedule to Financial Statements
Salary and Benefits Disclosure
Year ended March 31, 2011
(in dollars)

SCHEDULE 3

| | 2011 | | | | 2010 |
|--|-------------------------------|--|--|-----------|-----------|
| | Base Salary ^(a) | Other Cash Benefits ^(b) | Other Non-cash Benefits ^(c) | Total | Total |
| Chair of the Board ^(d) | \$ - | \$ 21,117 | \$ - | \$ 21,117 | \$ 24,288 |
| Board Members ^(e) | - | 53,219 | - | 53,219 | 47,196 |
| Chief Executive Officer ^(f) | 115,636 | 7,750 | 27,368 | 150,754 | 227,245 |
| Community Resource Manager ^{(f)(g)} | 92,602 | 7,750 | 20,092 | 120,444 | 75,086 |
| Finance Manager ^(f) | 89,559 | 7,750 | 23,602 | 120,911 | 119,026 |

Prepared in accordance with Treasury Board Directive 12/98 as amended.

^(a) Base Salary includes pensionable base pay.

^(b) Other cash benefits include vacation payouts, lump sum payments and honoraria. There were no bonuses paid in 2011.

^(c) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

^(d) These amounts represent honoraria payments made to the Chair of the Board.

^(e) There are 8 board member positions. These amounts represent honoraria payments made to the board members during the year.

^(f) Executives and managers are assigned to the Board from the Department of Seniors and Community Supports and are not employees of the Board.

^(g) The position of Community Resource Manager was vacant from August 1, 2009 to December 8, 2009.

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Schedule to Financial Statements Related Party Transactions Year ended March 31, 2011 (thousands of dollars)

SCHEDULE 4

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board.

The Board and the employees seconded to it from the Department of Seniors and Community Supports paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Board had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

| | Entities in the Ministry | | Other Entities | |
|--|--------------------------|-----------|----------------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| Revenues | | | | |
| Department of Seniors and Community Supports | \$ 22,129 | \$ 21,958 | \$ - | \$ - |
| Expenses – Directly Incurred | | | | |
| Service Alberta | \$ - | \$ - | \$ 2 | \$ 2 |
| Alberta Health Services | - | - | 2 | 4 |
| | \$ - | \$ - | \$ 4 | \$ 6 |
| Accounts payable | \$ 2 | \$ - | \$ - | \$ 39 |
| Contractual obligations | \$ - | \$ - | \$ 104 | \$ 99 |

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Schedule to Financial Statements Related Party Transactions

Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 4 (continued)

The Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 5.

| | Entities in the Ministry | | Other Entities | |
|-------------------------------|--------------------------|-------------|----------------|---------------|
| | 2011 | 2010 | 2011 | 2010 |
| Expenses – Incurred by Others | | | | |
| Department of Infrastructure | \$ - | \$ - | \$ 362 | \$ 370 |
| Service Alberta | - | - | 47 | 107 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 409</u> | <u>\$ 477</u> |

PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

Schedule to Financial Statements

Allocated Costs

Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 5

| Program | 2011 | | | | | | | 2010 | |
|--------------------------------|-------------------------------|---------------------|----------------|-----------------------|--------------|-------------------|------------------|------------------|--|
| | Expenses – Incurred by Others | | | Valuation Adjustments | | | | | |
| | Expenses ^(a) | Accommodation Costs | Legal Services | Other Services | Vacation Pay | Doubtful Accounts | Total Expenses | Total Expenses | |
| Community Living Supports | \$ 12,885 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 12,885 | \$ 12,289 | |
| Employment Supports | 734 | - | - | - | - | - | 734 | 850 | |
| Community Access Supports | 2,426 | - | - | - | - | - | 2,426 | 2,397 | |
| Specialized Community Supports | 294 | - | - | - | - | - | 294 | 433 | |
| Supports to Delivery Systems | 5,733 | 362 | - | 47 | 3 | - | 6,145 | 6,131 | |
| Board Governance | 102 | - | - | - | - | - | 102 | 116 | |
| | <u>\$ 22,174</u> | <u>\$ 362</u> | <u>\$ -</u> | <u>\$ 47</u> | <u>\$ 3</u> | <u>\$ -</u> | <u>\$ 22,586</u> | <u>\$ 22,216</u> | |

^(a) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

**PERSONS WITH DEVELOPMENTAL DISABILITIES
SOUTH REGION COMMUNITY BOARD**

Financial Statements

March 31, 2011

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Financial Statements

Year ended March 31, 2011

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 Expenses – Directly Incurred Detailed by Object

Schedule 2 Budget

Schedule 3 Salary and Benefits Disclosure

Schedule 4 Related Party Transactions

Schedule 5 Allocated Costs

Independent Auditor's Report

To the Members of the Board of the Persons with Developmental Disabilities South Region Community Board and the Minister of Seniors and Community Supports

Report on the Financial Statements

I have audited the accompanying financial statements of the Persons with Developmental Disabilities South Region Community Board as at March 31, 2011, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities South Region Community Board as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Merwan N. Saher, CA

Auditor General

June 2, 2011

Edmonton, Alberta

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Statement of Operations Year ended March 31, 2011 (thousands of dollars)

| | 2011 | | 2010 |
|--|--------------|-----------|-----------|
| | Budget | Actual | Actual |
| | (Schedule 2) | | |
| Revenues | | | |
| Transfer from Department of Seniors and Community Supports | \$ 65,109 | \$ 65,269 | \$ 65,084 |
| Previous year's refund of expenditures | - | 617 | 1,042 |
| Other revenue | - | 11 | - |
| | 65,109 | 65,897 | 66,126 |
| Expenses – Directly Incurred (Note 2(b), Schedules 1 and 5) | | | |
| Programs | | | |
| Community Living Supports | 33,090 | 35,659 | 35,859 |
| Employment Supports | 2,937 | 2,758 | 2,942 |
| Community Access Supports | 13,669 | 12,803 | 13,234 |
| Specialized Community Supports | 204 | 328 | 145 |
| Supports to Delivery Systems | 15,069 | 13,200 | 13,544 |
| Board Governance | 140 | 93 | 121 |
| | 65,109 | 64,841 | 65,845 |
| Valuation adjustments (Schedule 1) | | | |
| Provision for vacation pay | 8 | (14) | 4 |
| | 65,117 | 64,827 | 65,849 |
| Net operating results | \$ (8) | \$ 1,070 | \$ 277 |

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Statement of Financial Position As at March 31, 2011 (thousands of dollars)

| | 2011 | 2010 |
|---|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 10,567 | \$ 4,410 |
| Accounts receivable (Note 3) | 2,598 | 5,790 |
| | <u>\$ 13,165</u> | <u>\$ 10,200</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 4) | \$ 9,178 | \$ 7,283 |
| Net assets | | |
| Net assets at beginning of year | 2,917 | 2,640 |
| Net operating results | 1,070 | 277 |
| | <u>3,987</u> | <u>2,917</u> |
| Net assets at end of year | <u>\$ 13,165</u> | <u>\$ 10,200</u> |

Contractual obligations (Note 6)

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Statement of Cash Flows Year ended March 31, 2011 (thousands of dollars)

| | 2011 | 2010 |
|--|-----------|----------|
| Operating transactions | | |
| Net operating results | \$ 1,070 | \$ 277 |
| Non-cash items included in net operating results | | |
| Valuation adjustments | (14) | 4 |
| | 1,056 | 281 |
| Decrease (increase) in accounts receivable | 3,192 | (4,526) |
| Increase in accounts payable and accrued liabilities before valuation adjustments | 1,909 | 5,180 |
| Cash provided by operating transactions | 6,157 | 935 |
| Cash and cash equivalents, beginning of year | 4,410 | 3,475 |
| Cash and cash equivalents, end of year | \$ 10,567 | \$ 4,410 |

The accompanying notes and schedules are part of these financial statements.

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 1 AUTHORITY AND PURPOSE

The Persons with Developmental Disabilities South Region Community Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Board is responsible for developing, implementing, and evaluating plans for the provision of services for adults with developmental disabilities within the region.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Seniors and Community Supports (the Ministry), and for which the Minister of Seniors and Community Supports (the Minister) is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Expenses

Directly Incurred

Directly incurred expenses are those costs the Board has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as supplies and services, directly incurred expenses also include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.
- costs of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Seniors and Community Supports. The cost of their salaries, wages and benefits is included in manpower expense.
- pension costs, which are the cost of employer contributions for current service of employees during the year.

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met.

Description of Program Expenses Reported on the Statement of Operations

Community Living Supports – expenses incurred to assist adults with developmental disabilities to live in their home.

Employment Supports – expenses incurred to assist adults with developmental disabilities in gaining and maintaining employment.

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Community Access Supports – expenses incurred to assist adults with developmental disabilities to participate in community activities and personal development activities.

Specialized Community Supports – expenses incurred to provide other unique supports that are needed to assist adults with developmental disabilities in their environment or to enhance their access to the community.

Supports to Delivery Systems – expenses incurred to provide administrative and financial support for program delivery.

Board Governance – expenses incurred in support of Board related activities.

Incurred by Others

Services contributed by other entities in support of Board operations are not recognized and are disclosed in Schedule 4 and allocated to programs in Schedule 5.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Board include cash and financial claims, such as receivables from other organizations.

The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged if the asset is in use.

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting (continued)

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the carrying value of assets held by the Board and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 3 ACCOUNTS RECEIVABLE (thousands of dollars)

| | 2011 | | | 2010 | |
|-------------------|-----------------|---------------------------------------|----------------------------|----------------------------|--|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value | |
| Service providers | \$ 2,571 | \$ - | \$ 2,571 | \$ 5,758 | |
| Other | 27 | - | 27 | 32 | |
| | <u>\$ 2,598</u> | <u>\$ -</u> | <u>\$ 2,598</u> | <u>\$ 5,790</u> | |

Accounts receivable are unsecured and non-interest bearing.

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (thousands of dollars)

| | 2011 | 2010 |
|--|-----------------|-----------------|
| Accrued supplies and services | \$ 8,675 | \$ 7,017 |
| Employees' accrued vacation pay and manpower costs | 272 | 262 |
| Accrued grants | 231 | 4 |
| | <u>\$ 9,178</u> | <u>\$ 7,283</u> |

NOTE 5 VOLUNTARY CONTRIBUTIONS

These financial statements do not include amounts relating to voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 6 CONTRACTUAL OBLIGATIONS

(thousands of dollars)

Contractual obligations are obligations of the Board to others that will become liabilities in the future when the terms of those contracts or agreements are met.

| | 2011 | 2010 |
|---|-------|-------|
| Obligations under operating leases, contracts and programs | \$ 41 | \$ 49 |

Estimated payment requirements for each of the next five years and thereafter are as follows:

| | Total |
|------------|--------------|
| 2011-12 | \$ 8 |
| 2012-13 | 8 |
| 2013-14 | 8 |
| 2014-15 | 8 |
| 2015-16 | 8 |
| Thereafter | 1 |
| | <u>\$ 41</u> |

The Board contracts with service operators to provide services to adults with developmental disabilities in the region. The Board will contract for services for the year ending March 31, 2012 in a similar manner as the year ended March 31, 2011. As at March 31, 2011, contractual commitments have been signed with service operators in the amount of \$35,119 for the year ended March 31, 2012 (\$10,108 for the year ended March 31, 2011).

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 7 **BENEFIT PLANS** (thousands of dollars)

The Board participates in the multi-employer pension plans: Management Employees Pension Plan and Public Service Pension Plan. The Board also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$213 for the year ended March 31, 2011 (2010 – \$170).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of \$397,087 (2009 – deficiency of \$483,199) and the Public Service Pension Plan reported a deficiency of \$2,067,151 (2009 – deficiency of \$1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,559 (2009 – deficiency of \$39,516).

The Board also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of \$4,141 (2010 – deficiency \$8,335) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$7,020 (2010 – surplus \$7,431). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 8 **GRANDFATHERED CLIENTS** (thousands of dollars)

When the *Persons with Developmental Disabilities Community Governance Act* (the *Act*) was passed by the Alberta Legislature in 1997, the new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria.

Certain individuals and agencies were receiving services prior to the passing of the *Act* but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* report, Government directed that PDD Boards continue providing services to these individuals and agencies until service responsibility is handed-off to a more appropriate provincial program. Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the *Act*.

The total cost of these services for 7 individuals that has been included in the Statement of Operations is estimated to be \$275 (2010 – 7 individuals totalling \$272).

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Notes to the Financial Statements

NOTE 9 COMPARATIVE FIGURES

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

NOTE 10 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were prepared by management and approved by the Board.

PERSONS WITH DEVELOPMENTAL DISABILITIES **SOUTH REGION COMMUNITY BOARD**

Schedule to Financial Statements
 Expenses – Directly Incurred Detailed By Object
 Year ended March 31, 2011
 (thousands of dollars)

SCHEDULE 1

| | 2011 | | 2010 |
|----------------------------|------------------|------------------|------------------|
| | Budget | Actual | Actual |
| Manpower | \$ 1,967 | \$ 1,912 | \$ 1,834 |
| Supplies and services | 63,142 | 62,355 | 62,059 |
| Grants | - | 574 | 1,952 |
| | 65,109 | 64,841 | 65,845 |
| Valuation adjustments | | | |
| Provision for vacation pay | 8 | (14) | 4 |
| | <u>\$ 65,117</u> | <u>\$ 64,827</u> | <u>\$ 65,849</u> |

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Schedule to Financial Statements Budget

Year ended March 31, 2011
(thousands of dollars)

SCHEDULE 2

| | 2010-11 | | |
|---|-----------|----------------------------|--------------|
| | Budget | Adjustments ^(a) | Final Budget |
| Revenue | | | |
| Transfer from Department of Seniors and Community Supports | \$ 65,109 | \$ 160 | \$ 65,269 |
| Expenses – Directly Incurred | | | |
| Community Living Supports | 33,090 | - | 33,090 |
| Employment Supports | 2,937 | - | 2,937 |
| Community Access Supports | 13,669 | - | 13,669 |
| Specialized Community Supports | 204 | 160 | 364 |
| Supports to Delivery Systems | 15,069 | - | 15,069 |
| Board Governance | 140 | - | 140 |
| | 65,109 | 160 | 65,269 |
| Valuation adjustments | | | |
| Provision for vacation pay | 8 | - | 8 |
| Net operating results | \$ (8) | \$ - | \$ (8) |

^(a) Reallocation of funding from Department of Seniors and Community Supports. Approved by the Deputy Minister in March 2011.

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Schedule to Financial Statements Salary and Benefits Disclosure Year ended March 31, 2011 (in dollars)

SCHEDULE 3

| | 2011 | | | | 2010 |
|--|-------------------------------|--|--|-----------|-----------|
| | Base Salary ^(a) | Other Cash Benefits ^(b) | Other Non-cash Benefits ^(c) | Total | Total |
| Chair of the Board ^(d) | \$ - | \$ 16,417 | \$ - | \$ 16,417 | \$ 25,444 |
| Board Members ^(e) | - | 51,932 | - | 51,932 | 71,625 |
| Chief Executive Officer ^(f) | 122,580 | 1,750 | 29,252 | 153,582 | 151,276 |
| Director of Operations ^(f) | 107,658 | 1,750 | 26,363 | 135,771 | 123,249 |
| Manager, Finance ^(f) | 81,672 | 1,750 | 20,938 | 104,360 | 95,152 |

Prepared in accordance with Treasury Board Directive 12/98 as amended.

^(a) Base Salary includes pensionable base pay.

^(b) Other cash benefits include vacation payouts, lump sum payments and honoraria. There were no bonuses paid in 2011.

^(c) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

^(d) These amounts represent honoraria payments made to the Chair of the Board.

^(e) There are 8 board member positions. These amounts represent honoraria payments made to the board members during the year.

^(f) Executives and managers are assigned to the Board from the Department of Seniors and Community Supports and are not employees of the Board.

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Schedule to Financial Statements

Related Party Transactions

Year ended March 31, 2011

(thousands of dollars)

SCHEDULE 4

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board.

The Board and the employees seconded to it from the Department of Seniors and Community Supports paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Board had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

| | Entities in the Ministry | | Other Entities | |
|---|--------------------------|-----------|----------------|----------|
| | 2011 | 2010 | 2011 | 2010 |
| Revenues | | | | |
| Department of Seniors and Community Supports | \$ 65,269 | \$ 65,084 | \$ - | \$ - |
| Expenses – Directly Incurred | | | | |
| Grants | | | | |
| Alberta Health Services | \$ - | \$ - | \$ - | \$ 101 |
| Department of Advanced Education and Technology | - | - | 4 | 7 |
| Other services | | | | |
| Service Alberta | - | - | 4 | - |
| Alberta Education | - | - | 4 | - |
| Alberta Health Services | - | - | 5,705 | 5,599 |
| Department of Advanced Education and Technology | - | - | 217 | 196 |
| | \$ - | \$ - | \$ 5,934 | \$ 5,903 |
| Accounts payable | \$ 7 | \$ - | \$ 5,731 | \$ 2,105 |
| Accounts receivable | \$ - | \$ - | \$ 4 | \$ 25 |
| Contractual obligations | \$ - | \$ - | \$ 41 | \$ 49 |

PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

Schedule to Financial Statements Related Party Transactions

Year ended March 31, 2011

(thousands of dollars)

SCHEDULE 4 (continued)

The Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 5.

| | Entities in the Ministry | | Other Entities | |
|--|--------------------------|-------------|----------------|---------------|
| | 2011 | 2010 | 2011 | 2010 |
| Expenses – Incurred by Others | | | | |
| Department of Infrastructure | \$ - | \$ - | \$ 400 | \$ 409 |
| Department of Justice and Attorney General | - | - | 3 | 2 |
| Service Alberta | - | - | 107 | 245 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 510</u> | <u>\$ 656</u> |

PERSONS WITH DEVELOPMENTAL DISABILITIES **SOUTH REGION COMMUNITY BOARD**

Schedule to Financial Statements

Allocated Costs
 Year ended March 31, 2011
 (thousands of dollars)

SCHEDULE 5

| Program | 2011 | | | | | 2010 | |
|--------------------------------|-------------------------------|------------------------|-------------------|-------------------|--------------------------|-------------------|-------------------|
| | Expenses – Incurred by Others | | | | Valuation Adjustments | Total Expenses | Total Expenses |
| | Expenses ^(a) | Accommodation Costs | Legal Services | Other Services | | | |
| Community Living Supports | \$ 35,659 | \$ 192 | \$ - | \$ - | \$ - | \$ 35,851 | \$ 36,055 |
| Employment Supports | 2,758 | - | - | - | - | 2,758 | 2,942 |
| Community Access Supports | 12,803 | - | - | - | - | 12,803 | 13,234 |
| Specialized Community Supports | 328 | - | - | - | - | 328 | 145 |
| Supports to Delivery Systems | 13,200 | 208 | 3 | 107 | (14) | 13,504 | 14,008 |
| Board Governance | 93 | - | - | - | - | 93 | 121 |
| | <u>\$ 64,841</u> | <u>\$ 400</u> | <u>\$ 3</u> | <u>\$ 107</u> | <u>\$ (14)</u> | <u>\$ 65,337</u> | <u>\$ 66,505</u> |

(a) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

Statement of Remissions, Compromises and Write-offs

For the year ended March 31, 2011

(Unaudited)

(Amounts in dollars)

The following has been reviewed pursuant to Section 33 of the Financial Administration Act and the following amounts of write-offs have been approved during the fiscal period.

Write-offs

Accounts receivable

123

Ministry of Seniors and Community Supports

Unaudited information



For more information about Alberta Seniors and Community Supports, or to obtain copies of this annual report please contact:

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ISSN: 1719-2048
ISBN: 978-0-7785-9323-2